

RFP for Integrated Development of No-Frill Airstrip & Provision of Airline Connectivity at Chikkamagaluru on Design, Finance, Build, Operate and Transfer (DBFOT) Framework

QUERIES FROM APPLICANTS AND KSIIDC'S RESPONSES THERETO

S. No.	Ref. Clause/ Page No.	Bidders Queries	KSIIDC's Responses
1.	Attachment A/ Site Details , Pg 25 of Annexure of PDA	<p>The requirement is for ICAO 2B category runway. However, for any airport operator the aero/non-aero revenues are dependent on the pax volume throughput generated from larger capacity aircraft.</p> <p>We suggest the proposed runway project be planned for at least 5,000 ft as the current proposed runway length of 3000ft will restrict aircraft movements and will result in an extremely long horizon for aero recoveries from the project.</p> <p>Non-Aero revenue will also be impacted as this is also related to the level of activity/traffic at the airport.</p>	<p>Currently the proposed runway length of 3035ft (925m) is sufficient for operations of smaller aircrafts (<20 seater), based on initial passenger traffic.</p> <p>Government of Karnataka (GoK) will consider providing additional land as and when required in the future to meet the passenger demand.</p>
2.	RFP, Page 8, Clause 1.2.4	<p>The interested bidders are required to register on E-procure website and will be required to upload the bids through the portal.</p> <p>In case of consortium, can the e-procure login & registration be done by any member of the consortium or the Consortium has to apply for a 'consortium' login?</p>	<p>Lead Member or any other member of the Consortium can register and upload the bid on behalf of the Consortium.</p>
3.	RFP, Page 8, Clause 1.2.4	<p>Can consortium lead member authorize any member to upload/sign/submit the bid on the consortium's behalf.</p>	<p>Lead Member or any other member of the Consortium can register and upload the bid on behalf of the Consortium.</p>
4.	RFP, Page 15, Clause 2.1.18, Consortium Turnover Criteria	<p>Kindly confirm any member of the consortium, including the air operator member, can be the lead member provided this member meet's the min. average turnover criteria?</p>	<p>Lead Member can be any person, including air operator member, who has to meet the conditions as per the RFP.</p>

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5.	RFP , page 10, Clause 1.2.7	The Grant that the GoK will provide is currently capped to 20% of the project value. Considering the project location and the projected aero revenues (based on the current planned short strip) will require a longer duration for the project recoveries, we recommend and would request the GoK to raise such a grant to at least to 50% of the project value.	Tender conditions shall prevail.
6.	RFP , General	Will GOK/KSIIDC support the SPV/ projects bidders with option for soft loans?	GoK/KSIIDC doesn't envisage any soft loans specific to this project. The SPV can avail benefits, if any, under state infrastructure policy or other applicable policies.
7.	RFP, PDA, Page 40, Article 11, Clause 11.4.1	<p>Kindly elaborate on the air-connectivity requirements:</p> <p>1. Is the cost of this service to be included in the project cost?</p> <p>2. What is the min. number of years that the SPV has to operate such flights to the airport?</p> <p>3. Will the state government underwrite the SPV/air-operator service flights being operated to this airport to incentivize the air operators to operate?</p>	<p>1. The cost of service is not part of the project cost. It is not considered because of the multiple criteria like type of aircraft, capacity, ownership/ lease, route / network – distances etc.</p> <p>2. As per the Project Development Agreement, Clause 11.4.1, the SPV shall ensure at least three flights a week from the Airstrip. This is applicable till the end of the Concession Period</p> <p>3. Currently there is no State specific policy for underwriting seats. Hence, the tender conditions prevail.</p>
8.	RFP, General	As the GOK had done the technical feasibility, can this report be shared with interested bidder for additional information and evaluation?	The study reports earlier prepared specific to the Project have been put on the website. However, the bidders may like to carry out their own studies to evaluate the project from technical and financial viability perspective.

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9.	RFP, Financial Bid, Page 33	<p>In view of the initial investment and flight operations envisaged for the initial few years at this strip, we feel the premium payable should only be applicable from a later date.</p> <p>Most airports work on revenue sharing mechanism and we would like KSIIDC to advise if a similar model can be evaluated to ensure the premiums are in line with the actual revenue build up to ensure commercial viability of the project.</p>	This request can be further discussed during 2 nd round of pre-bid meeting.
10.	Attachment A/ Site Details , Pg 25 of Annexure of PDA	<p>What the status of the land acquisition as depicted in the site details map illustration?</p> <p>Kindly the exact dimension and coordinates for the bound areas be shared with us for review and evaluation of possible operations envisaged at the airport.</p>	<p>The entire land (100 acres) currently earmarked for the project is available with the GoK.</p> <p>The co-ordinates of the airstrip boundary are as below</p> <ol style="list-style-type: none"> 1. N13 17 49.84 E75 46 58.59 2. N13 17 48.63 E75 47 06.00 3. N13 17 48.11 E75 47 19.05 4. N13 17 41.10 E75 47 20.11 5. N13 17 37.43 E75 47 29.09 6. N13 17 28.76 E75 47 35.99 7. N13 17 27.91 E75 47 35.24 8. N13 17 26.86 E75 47 30.02 9. N13 17 30.67 E75 47 27.15 10. N13 17 30.71 E75 47 24.93 11. N13 17 35.15 E75 47 07.18 12. N13 17 39.86 E75 46 52.93 13. N13 17 43.15 E75 46 52.65 14. N13 17 42.56 E75 46 58.60 15. N13 17 46.84 E75 46 58.73 <p>The site map is enclosed at annexure 'A'</p>
11.	Impact of UDAN scheme on the Airport	Based on the review of the project, as UDAN airlines will have to be offered benefits/Landing & Parking waivers. This is being done to promote more airlines to operate with more viable costing to such airports.	This can be further discussed during 2 nd round of pre-bid meeting.

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	commercial recovery plan	However, from the perspective of the airport operator, such waiver will impact the Aero revenues and consequentially the recovery of the project cost will also be impacted.	
12.	Proposed Suggestions for ensuring viability – Airport operational Scope	<p>We would like to propose the following options for consideration of KSIIDC in view of making the project viable with strong recovery for SPV and GOK in the timeframe envisaged:</p> <p>3. Provision of ILS to ensure all weather operations which will prevent disruptions. Regular disruptions in monsoon or foggy weather will result in pax not preferring this service due to delays/diversions. We request this may be included as part of the project</p>	This request can be further discussed during 2 nd round of pre-bid meeting.
13.	Proposed Suggestions for ensuring viability – Grant	<p>As you are aware, the recovery of the project will be dependent on traffic and airline marketing work that is done by the airport. However, the project cost only encompassed the construction work currently.</p> <p>To ensure operations, there are fixed cost related to the airport for manpower, security, ground handling, facilities, services etc and these will be required to be made available for complete day operations. To cover these again, we will require at least 4-6 flight a day with 20+ seat aircraft on a daily basis. However, once any operator bid under UDAN, this route becomes exclusive for 3 years and no other airline can operate to the preferred routes like connecting Chikkamagalur to other airports like Bengaluru, Mangaluru, which may be viable routes based on our review. We suggest a model where, instead of the premium per year, the revenues from:</p> <p>a. Aero activities are to KSIIDC account and</p> <p>b. The non-aero Revenues are shared at 60% to SPV and 40% to KSIIDC.</p>	Tender conditions prevail

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		<p>The SPV will continue to manage the O&M for the airports from these revenues once they kick in.</p> <p>c. However, as SPV will share the revenue up to 50% on the project, we would request that the initial grant maybe also be made of extended to 50% of the project cost.</p> <p>The bidding can be based on the highest revenue share to KSIIDC/GOK.</p>	
14.	Information Memorandum Estimation of Project Cost	<p>Phase I – Amounting to Rs. 12.24 Crore Phase II – Amounting to Rs. 7.37 Crore</p> <p>Clarify if we need to complete in the first phase only. Need GoK's approval to proceed with action plan for single phase of construction</p>	<p>Since it is estimated that the passenger traffic at the airstrip would be lower during the initial years of operations, it was envisaged that pavement strengthening and apron extension can be developed as and when required.</p> <p>However, the SPV can take full-fledged construction in a single phase if it feels necessary.</p>
15.	RFP – Bid Parameters Clause 3.1.1	<p>If percentage of Grant figures be increased to 50 %</p> <p>Can a soft loan from GOK be granted for over and above the Grant amount</p> <p>Can an alternative proposal be made by Bidder / SPV incase the above 2 points are acceptable to GOK towards revenue & operational cost sharing between GOK & Bidder/SPV.</p>	Tender conditions prevail
16.	PDA Article 9 Performance Security	<p>Rs 92 Lacs is mentioned as Performance Security to be covered by BG as against Rs.70 Lacs mentioned in the Schedule of Attachment.</p> <p>Validity of Performance gurantee is 3 years under Clause 9.3 , as against clause no: 9.6 towards entire period of agreement as mentioned .</p>	<p>The Performance Security is for an amount of Rs. 92,00,000/- (Ninety Two Lakhs only).</p> <p>There are two performance securities to be provided by the SPV. One is during the construction period and the other during operations period. Kindly refer to Article 9 of Project Development Agreement for further details on</p>

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		Terms of Project Development Agreement is not mentioned. GOK to clarify the duration of agreement.	<p>the duration of the securities.</p> <p>The Term of agreement is 30 years from the date of Airstrip Opening Target Date. Kindly refer to Clause 17.7.1 of the Project Development Agreement</p>
17.	Schedule & Attachment	<p>Time Frame Requirement</p> <p>3 Months for Planning Phase</p> <p>6 months for construction</p>	<p>The SPV is provided with a time period of 6 months to satisfy the conditions precedent, which includes preparation of development plan and master plan and obtaining approvals.</p> <p>SPV is provided with a time period of 6 months for construction from the date of meeting the conditions precedent.</p> <p>Kindly refer to Article 4 of the Project Development Agreement for further details.</p>
18.	General Queries	<p>What are the conditions that attract non performance</p> <p>What will be the liability on the promotor</p> <p>Clarification on all the Approvals - Local & Aviation authority - Time Frame required – Role of KSIIDC in expediting the approvals</p>	<p>Please refer to Article 4, 5, 7, 9, 11, 12 and others of Project Development Agreement which cover roles and responsibilities of Concessionaire during pre-construction (Conditions Precedent), construction and Operation& Maintenance period.</p> <p>The liability of the promotor shall be based on the structure of SPV and their agreement with the Lenders at the time of Financial Closure. The obligations of the SPV are mentioned in the Project Development Agreement</p> <p>GoK/KSIIDC will provide required assistance to the Concessionaire in obtaining approvals. Refer Article 6 of the Project Development Agreement.</p>

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		<p>Require / Access road to the Project site -- kindly provide details - Please provide detailed site map with road connectivity and map coordinates</p> <p>Please provide the perimeter length</p> <p>Helipad upgradation requirements, conditions, costs; Also kindly provide the location of the same in the demised premises as existing.</p> <p>Will KSIIDC help with ensuring connectivity to HAL apart from BIAL under RCS within Karnataka to minimise commute time.</p>	<p>The access road of the project site is enclosed at Annexure A.</p> <p>The co-ordinates of proposed access road from main road are as below:</p> <ol style="list-style-type: none"> 1. N13 17 42.39 E75 46 52.56 2. N13 17 35.47 E75 47 07.22 <p>The boundary perimeter length is about 3350 m.</p> <p>The existing helipad is in dilapidated condition and hence the proposed Apron/Turnaround area could be utilized for helicopter landing and take-off.</p> <p>Since a consensus is required from BIAL, Gol and GoK on operationalization of HAL, the same cannot be assured at this point of time.</p>

Maps / Drawings for proposed Airstrip at Chikkamagaluru.

1. Existing Site :



Existing boundary of the site - Black colour.

2. Access Road from City:

Access road to the Airstrip site from City Centre.

1. Road map Link:

<https://www.google.co.in/maps/dir/KSRTC+Bus+Station,+Chikkamagaluru,+Chikkamagaluru,+Karnataka/13.2947494,75.7838006/@13.3035345,75.7631549,3666m/data=!3m1!1e3!4m9!4m8!1m5!1m1!1s0x3bbad77cae08c6b5:0x696795a85bfff01f!2m2!1d75.7718191!2d13.3179818!1m0!3e0?hl=en&authuser=0>

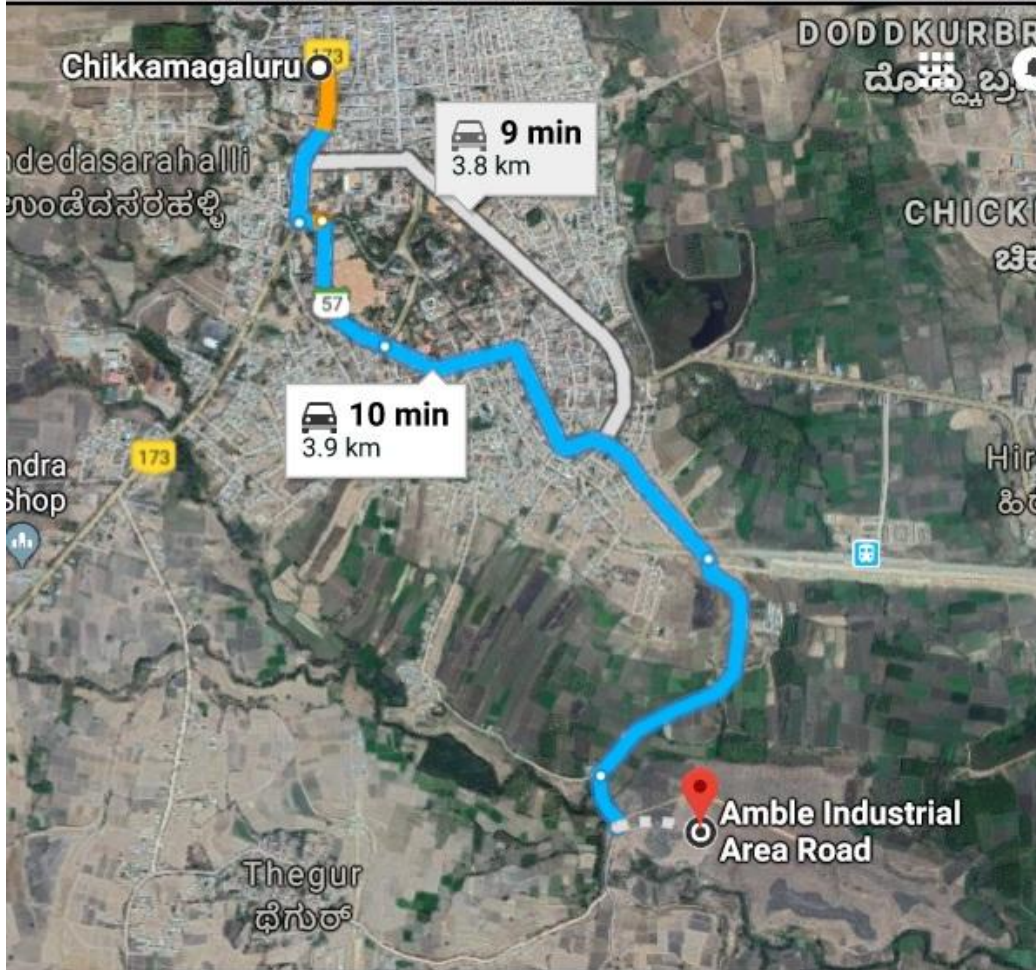


Direction : Chikkamagaluru KSRTC Bus stand - Kotte Village - Railway station - Airstrip

2. Access road to the Airstrip site from City Centre.

Road map Link:

<https://www.google.co.in/maps/dir/KSRTC+Bus+Station,+Chikkamagaluru,+Chickmagaluru,+Karnataka/13.2947494,75.7838006/@13.3035345,75.7631549,3666m/am=t/data=!3m1!1e3!4m10!4m9!1m5!1m1!1s0x3bbad77cae08c6b5:0x696795a85bff01f!2m2!1d75.7718191!2d13.3179818!1m0!3e0!5i1?hl=en&authuser=0>



Direction : Chikkamagaluru KSRTC Bus stand - DFC office - Hosamane Extension - Railway station - Airstrip