

**DEVELOPMENT OF AERIAL PASSENGER ROPEWAY SYSTEM AT KAULESHWARI DEVI TEMPLE, CHATRA  
ON DESIGN, BUILD, FINANCE, OPERATE AND TRANSFER BASIS UNDER PPP FRAMEWORK**

**Response to Pre-Bid Queries**

**Ref: Tender No. 536 dated 24.04.2018**

**1. REQUEST FOR QUALIFICATION CUM REQUEST FOR PROPOSAL**

<b>NO</b>	<b>CLAUSE NO</b>	<b>CLARIFICATION SOUGHT</b>	<b>RESPONSE</b>
1.	1.2.8 (a) - Bid Parameter	Annual Fee to be paid annually 30 days in advance of the commercial operation date/..... This will be additional financial burden to the Developer before the revenue generation starts from the project. Hence it should be payable on monthly instalment basis after each month of operation.	Kindly refer to Corrigendum – III.
2.	1.2.8 (a) - Bid Parameter	As per tender information given in Volume – III about 4 lakh pilgrims visit Kauleshwari Devi Temple. From our experience of ropeway installation in various temples for the last 25 years, we have observed that only 25% to 30% people take the ropeway ride. Even if we take 30% of 4 lakh people, then also only 1.20 lakh people will avail the ropeway ride. To get a breakeven minimum 3 lakh passengers are required per annum. Therefore, for the first 7 years the ropeway has to run in loss. Hence it is our request that for the first 7 years there should be moratorium in the concession fess because that period we will repay bank loan with interest.	Not Agreed. The terms and conditions of the Request for Qualification Cum Request for Proposal shall remain unchanged.
3.	1.2.8 (a) - Bid Parameter	Moreover, we would request you to give at least 1 – 2 years Annual fee waiver, since, the project term loan repayment and interest on the loan will be too high, the present traffic flow to the site seems insufficient, which may result in the Project losses for 5 / 6 years from the date of commercial operation.	Not Agreed. The terms and conditions of the Request for Qualification Cum Request for Proposal shall remain unchanged.
4.	1.2.8 (a) - Bid Parameter	We would also request the authority to look into the prospects that a certain percentage of total revenue collected from the sale of the tickets may be considered, as this is the normal practice, instead of fixed Annual fee. We can show such documentary evidences in this regard, the agreements that we have entered into for our various BOOT Ropeway Projects with different Government / Private Authorities. The highest Royalty offered by bidder in percentage of revenue collection from the sale of ticket, may be selected.	Not Agreed. The terms and conditions of the Request for Qualification Cum Request for Proposal shall remain unchanged.
5.	1.2.8 (d) – Bid	If the delay is due to the Administrative or	Developer will pay if the

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	Parameter	Authority Problems. Then why Developer will pay the annual fee.	construction is delayed, as the construction period starts after obtaining all the approvals and clearances, due to which possibility of Administrative or Authority Problems do not arise.
6.	1.2.9 – Project Development and Success Fee	Project Development & Success Fee Project Development Fee is not specified. Moreover, the Project is to be developed on BOOT Basis, these payments will put additional financial burden on the developer, hence, it should be waived off.	Not Agreed. The terms and conditions of the Request for Qualification Cum Request for Proposal shall remain unchanged.
7.	1.2.9 - Project Development and Success Fee	In regard to project Development and success Fee of Rs. 25 lakhs each to be paid by the developer, please note since the ropeway for the first 7 years will be running in loss question of project Development and Success Fee of Rs. 25 lakhs does not arise and should be exempted.	Not Agreed. The terms and conditions of the Request for Qualification Cum Request for Proposal shall remain unchanged.
8.	2.2.2 (A) (a) - Eligibility of Bidders- Technical Capacity	Technical Capacity (Part a) We would request you to kindly rectify the 400 mtr to 400 PPH, as this is more relevant to the Project.	Agreed. Kindly refer to Corrigendum- III.
9.	2.2.2 (A) (a) - Eligibility of Bidders- Technical Capacity	Under “Technical Qualification” terms we suggest to remove the minimum length of the ropeway as 400 mtrs and 7 years preceding to the bid due date which should be 5 years only instead of 7 years so that you have number of competitors to compete.	Not Agreed.  Kindly refer to Corrigendum- III.
10.	2.2.2 (B) (b) - Eligibility of Bidders- Financial Capacity	Financial Capacity (Part b) We would request you to kindly modify the criteria as under: - Have a minimum Average Annual Turnover of Rs. 12.00 Cr during the 5 financial years immediately preceding the Bid Due Date. OR Have a minimum Average Annual Turnover of Rs. 11.00 Cr during the 3 financial years immediately preceding the Bid Due Date.	Kindly refer to Corrigendum- III.
11.	2.2.2 (B) - Eligibility of Bidders- Financial Capacity	For qualification under financial capacity as per the CVC guideline 75% of the estimated cost should be the turnover of the bidding company annually for the last 5 years. Since you estimated cost of Rs. 24 crores the annual turnover should be 18 crores instead of Rs. 12 crores as mentioned by you un the tender and accordingly net worth of the bidding company should be minimum Rs. 8 crores and not Rs. 4 crores as per tender.	Not Agreed.  Kindly refer to Corrigendum- III.

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12.	2.2.3 - Eligibility of Bidders	Since this is a passenger ropeway, safety of passenger is of prime importance and very vital. Therefore, in the qualification criteria it must be mentioned that bidder must have accident free/fatal free record of minimum 7 years preceding bid date.	Kindly refer to Clause 2.2.3 wherein it is clarified that the Bidder claiming experience under clause 2.2.2(A), shall have clean records of operations without any accidents involving casualties in last 7 (seven) years.
13.	3.2.1. i.	While explaining the ropeway system you have mentioned that any system pulled by rope should be considered under ropeway System. Does it mean elevators or lift are a part of the ropeway System? In that case elevator/lift manufacture can also take part in the tender, kindly clarify.	Kindly refer to Corrigendum-III.
14.	3.8 - Construction Period Performance Security	Construction Period Performance Security: Rs. 1.20 Cr in form of DD / BG  This should be waived off as this will be a burden on the developer as well as shall be additional investment towards the cost on the project.	Not Agreed. The terms and conditions of the Request for Qualification Cum Request for Proposal shall remain unchanged.
15.	3.8 - Construction Period Performance Security	Since the developer will be using his own money to install the ropeway, a nominal bank guarantee for the construction period as performance guarantee should be asked.	Not Agreed. The terms and conditions of the Request for Qualification Cum Request for Proposal shall remain unchanged.
16.	Appendix V - Note iii	It is specified that Annual Fee will increase @ 5 % every year, we would like to point out here that 5 % escalation every year will be not possible as the traffic flow does not increase in the same rate as well as the O & M Cost increases by 10 % every year. In such case, we would request you to consider the annual fee increment as per the increase in the traffic flow percentage.	Not Agreed. The terms and conditions of the Request for Qualification Cum Request for Proposal shall remain unchanged.

## 2. DRAFT PROJECT DEVELOPMENT AND MANAGEMENT AGREEMENT

NO	CLAUSE NO	CLARIFICATION SOUGHT	RESPONSE
1.	3.1.1 - The Concession	Concession period of 30 years should be from the date of starting of commercial operation and not from the date of signing of the agreement. Moreover, there should be a clause that concession period can be extended by minimum 10 years on the same terms and condition to be successful bidder provided their performance is satisfactory., Reason being it will take minimum 18 years to get a breakeven considering return of loan, bank interest, payment of concession fee, O & M cost, etc.	Not Agreed. The terms and conditions of the Project Development and Management Agreement shall remain unchanged
2.	4.1.2 - Condition Precedent to be fulfilled by the Authority	Forest, Environment and pollution clearance should be arranged by the Govt. of Jharkhand as state Pollution Board and state Forest will give the approval of the same.	It is clarified that the Developer shall be liable for payment of all charges, sums, moneys, fees, etc. as required by the Authority or any Government Instrumentality towards procurement of forest, wildlife and environment clearances by the Authority. The Authority shall assist the Developer in procurement of the above clearances. Refer to clause 4.1.2 of the Project Development and Management Agreement.
3.	4.1.2 - Condition Precedent to be fulfilled by the Authority	All the necessary permissions and clearances for the project should be obtained by the Tourism Department, Govt. of Jharkhand.	Not Agreed. It is clarified that the Developer shall be liable for payment of all charges, sums, moneys, fees, etc. as required by the Authority or any Government Instrumentality towards procurement of forest, wildlife and environment clearances by the Authority. The Authority shall assist the Developer in procurement of the above clearances.
4.	Clause 6.1 - Support of the Authority	In Volume – II of the tender document the scope and obligation of the successful bidder has been clarified but no any clear terms and obligation of the Govt./Tourism Dept. has been given.	The Bidding Documents detail out the roles, responsibilities and obligations of both the Developer & Authority.

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5.	9.4.1 - Operational Period Performance Security	Guarantee for Operation & Maintenance 2.5 % of Estimated Project Cost – No authority has asked for such guarantee till date on BOOT Projects, as the investment is of developer, so they will always keep the Ropeway in healthy and operative condition. Hence, this clause should be waived off.	Not Agreed. The terms and conditions of the Project Development and Management Agreement shall remain unchanged.
6.	9.4.1 - Operational Period Performance Security	Nowhere in India, guarantee for Operation & Maintenance is asked, reason being, since developer is building the ropeway with his own money, naturally he will keep the ropeway in good running and satisfactory condition so that he can earn revenue out of the ropeway. Hence Operation & Maintenance guarantee by the developer should be deleted.	Not Agreed. The terms and conditions of the Project Development and Management Agreement shall remain unchanged.
7.	12.4.1 - Scheduled Completion Date	Construction period of 2 years should be from the date of receipt of all clearance like forest, environment etc. and handling over of the project land free from all encumbrance and financial closure, whichever is later and not from the date of signing of the agreement.	It is clarified that the 730 <sup>th</sup> day from the Appointed Date shall be the scheduled date for completion of construction of the Project. Whereupon, the Appointed Date is the date on which every Condition Precedent shall have been satisfied or waived which includes all necessary clearance for the project.
8.	23.3 - Remuneration of Independent Engineer	The Fees of the Independent Engineer appointed for the project by you should be paid by the Tourism Department, Govt. of Jharkhand.	Agreed. Kindly refer to Corrigendum-III.
9.	23 – Remuneration of the Independent Engineer	Since independent engineer will be appointed by you for auditing the ropeway system during the construction on your behalf, necessary fee of the independent engineer should be paid by the Dept. and not by the Developer.	Agreed. Kindly refer to Corrigendum-III.
10.		No additional fees will be payable to anyone other than you. If payable, same shall be treated as included in the royalty payable to you.	All incidental and statutory fees to be paid by the Concessionaire during the Construction and O&M period. The payment of Concession Fee will not be impacted by any other payment that is due from Developer to any other Government Instrumentality or statutory body, or any other entity.

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11.	26.1.2 – Collection and appropriation of User Fee by the Developer	In Volume-II it has been mentioned that the ticket cost will be Rs. 100/- each way. By doing this majority of the people will take up hill ride to the temple by paying Rs. 100/- and will come back by stairs. Therefore, we suggest that the ticket cost should be Rs. 200/- which should be for up and down ride. If somebody wants to come down from the temple who has walked up the hill, then he may buy the ticket at Rs. 100/- at the upper point for coming down.	It is clarified that the Developer shall be free to decide on the ticket price for the Project.  Kindly refer to Corrigendum-III.
12.	26.1.2 - Collection and appropriation of User Fee by the Developer	Since the commercial operation will start after two years from now approx., we suggest ticket rates may be fixed by the successful bidder and should be increased by 10% every year depending on the market price to meet the escalation for running and maintaining the ropeway so that the project remain viable. The final ticket price may be fixed by the successful bidder as mentioned above in consultation with the Tourism Dept. at time of starting of the commercial operation.	It is clarified that the Developer shall be free to decide on the ticket price for the Project.  Kindly refer to Corrigendum-III.
13.	26.1.2 - Collection and appropriation of User Fee by the Developer	In case of concession fee, it is mentioned that it will be increased by 5% every year, whereas it has been mentioned in the tender that the user fee will be increased every alternate year. There is Operation & maintenance inflation every year mainly due to labour welfare and power Charges. Therefore, minimum 10% increase in the ticket fare has to be allowed every year plus necessary taxes.	It is clarified that the Concession Fee is payable to the Authority every year and shall be escalated by 5% every year throughout the Concession period. However, the user fee is a fee charged by the Developer for using the project and payable by the user of the project.  Please refer to Corrigendum - III.
14.	Schedule D - Point No. 2.1 (f)	400 volts 3 phase power supply should be arranged at the starting and finishing point of the ropeway by Govt. of Jharkhand.	Agreed.

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15.	Schedule D, and Clause 10.2	Govt. of Jharkhand has to make the approach road to the site and land near to the site for parking should be given to the successful bidder. In addition to the approach road, free access to UTP and towers has to be arranged by the Govt./ Tourism Dept.	<p>Right of the land of ROW, lower and upper terminal station shall be given to the Developer to construct the ropeway, as per the terms of the agreement.</p> <p>Kindly refer to schedule D, point No. 2.2.1 Lower Terminal Station, wherein the developer should undertake development of parking space.</p> <p>Further provision relating to the Access and Right of Way is provided in Clause 10.2.</p> <p>As per Clause 10.5, the Developer shall bear all costs and charges for any special or temporary right of way required by it in connection with access to the Site.</p>
16.	40.1 - Definitions- Concession Period	The Concession Period of the project 30 Years should be from the date of starting of the commercial operation, as the payback period of the project investment will be too high.	Not Agreed. The terms and conditions of the Project Development and Management Agreement shall remain unchanged.
17.		We will be at liberty to create charge on the said ropeway system with right of use over the land for the purpose of obtaining any financial assistance from any Bank/Financial Institution or from any person or persons. Ropeway system including all installation shall always remain our property of SPV Company for the total license period and extension thereof.	Reference is invited to Clause 10.2 of Volume II of the RFP. Land of Right of Way would be given on License. It is clarified that no charge can be created over the land. However, the SPV can raise finance based on project rights, and assets created out of investments made by the SPV.
18.		In all other states Tourism Dept. gives subsidy to the various projects and Madhya Pradesh Govt. gives 40% subsidy to the ropeway project. We would request you to kindly consider if any subsidy can be given to make the ropeway viable.	Not Agreed. The terms and conditions of the Project Development and Management Agreement shall remain unchanged.