

**Refurbishment, Operate, Maintain and
Transfer of Tourism Property at Talakadu**

June 2008

Department of Tourism

Government of Karnataka

Karnataka
One state. Many worlds.

DISCLAIMER

The information contained in this Request for Proposal ("RFP") document provided to Bidder(s) whether verbally or in documentary form by or on behalf of Department of Tourism, Government of Karnataka ("DoT") or any of their employees or advisors, is provided to the Bidder(s) on the terms and conditions set out in this RFP document and all other terms and conditions subject to which such information is provided.

This RFP document is not an agreement and is not an offer or invitation by the DoT to any parties other than the Bidder(s) who are qualified to submit the Proposal ("Bidders"). The purpose of this RFP document is to provide the Bidder(s) with information to assist the formulation of their Proposals. This RFP document does not purport to contain all the information each Bidder may require. This RFP document may not be appropriate for all persons, and it is not possible for DoT, their employees or advisors to consider the investment objectives, financial situation and particular needs of each Bidder who reads or uses this RFP document. Each Bidder should conduct its own investigations and analysis and should check the accuracy, reliability and completeness of the information in this RFP document and where necessary obtain independent advice from appropriate sources. DoT, their employees and advisors make no representation or warranty and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability or completeness of the RFP document.

DoT may in their absolute discretion, but without being under any obligation to do so, update, amend or supplement the information in this RFP document.

Contents of RFP

Part I	Instructions to Bidders
Part II	Project Information Memorandum
Part III	Draft Concession Agreement

PART I

INSTRUCTIONS TO BIDDERS

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1. INTRODUCTION

1.1 Background

- 1.1.1 Department of Tourism (hereinafter referred to as "DoT"), Government of Karnataka (GoK), with an objective of providing upgraded facilities to users, promoting tourism and unlocking the commercial value of the property proposes to offer an area of about 2 acres comprising of the tourism property at Talakadu on a Refurbish, Operate, Maintain and Transfer (ROMT) Concession basis (hereinafter referred to as the "Project"), to interested parties (Bidders) for a period of 20 years.

A brief profile of the project is given in the Project Information Memorandum (Part II of the RFP document).

- 1.1.2 The Project would be awarded after a competitive bidding process to the respective Successful Bidder (the Concessionaire) with whom a Concession Agreement would be signed by DoT. The respective Concessionaire would be responsible for renovation, refurbishment, operations and maintenance of the property, under the Concession Agreement to be entered into between the Concessionaire and DoT. The Concessionaire would be at liberty to carry out new construction for providing additional facilities in the Project area subject to obtaining all necessary approvals for the same from DoT.
- 1.1.3 For the purpose of bidding for the Project the Bidders would have to submit a detailed proposal as per this RFP Document ("Proposal").
- 1.1.4 Terms used in this RFP document which have not been defined herein, shall have the meaning ascribed thereto in the draft Concession Agreement.

1.2 Brief Description of Bidding Process

- 1.2.1 DoT intends to adopt a single stage; two cover process for selection of the Successful Bidder.
- 1.2.2 Proposals would be evaluated on the basis of the evaluation criteria set out in this RFP document in order to identify the Successful Bidder for the Project. The Successful Bidder would then have to enter into a Concession Agreement with DoT, and perform its obligations as stipulated therein in respect of the Project. The draft Concession Agreement forms part of this RFP document.

1.3 RFP Document Available on Internet

- 1.3.1 The RFP document (Part I and Part II) is also available on the Internet and can be downloaded from the website: **www.karnatakaturism.org**
- 1.3.2 In case of difficulty in downloading the document from the above website, information may be obtained by sending a written request to Director, DoT.
- 1.3.3 If the document is downloaded from the above website, the demand draft for the amount payable towards cost of document should be enclosed along with the Proposal.
- 1.3.4 Intimation of the downloading of document should be sent to Director, DoT. The Draft Concession Agreement (Part III of the RFP document) shall be made available only to the Bidders who purchase the RFP document (Part I and Part II).
- 1.3.5 All subsequent notifications, changes and amendments will be posted only on the website: **www.karnatakaturism.org**

2. INSTRUCTIONS TO BIDDERS

A. General

2.1 Scope of Proposal

2.1.1 DoT wishes to receive Proposals from interested parties for the Project in order to identify the Successful Bidder.

2.2 Eligible Bidders

2.2.1 The Bidders eligible for participating in the qualification process shall be a single business entity with eligible experience stipulated under Section 3.

2.2.2 For the purpose of this RFP, a Business Entity shall mean a sole proprietorship firm¹ / registered partnership firm² / a company³ incorporated under the provisions of Companies Act 1956 in India or under any equivalent law abroad.

2.2.3 Any Bidder, who has earlier been barred by DoT /GoK or any other State Government in India (SG) or Government of India (GoI) or any other agencies of GoK/SG/GoI from participating in DoT / GoK projects, would not be eligible to submit a Proposal, where the bar subsists as on the Proposal Due Date.

2.2.4 The Bidder should submit a Power of Attorney as per the format enclosed as Appendix B (if the Bidder is a company or a registered partnership firm), authorising the signatory of the Proposal to commit the Bidder. If the Bidder is a Sole Proprietorship firm then the Proprietor shall sign the Proposal.

2.3 Number of Proposals

Each Bidder shall submit only one (1) Proposal for the Project in response to this RFP. Any Bidder, who submits more than one Proposal, will be disqualified.

2.4 Proposal Preparation Cost

The Bidder shall be responsible and shall pay for all of the costs associated with the preparation of its Proposal and its participation in the bidding process. DoT will not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the bidding process.

¹ a Sole Proprietorship firm should furnish either the Sales/VAT/Service tax or IT returns for the last two financial years or registration under the Shops and Establishment Act as proof of identity.

² A registered partnership firm should furnish registration certificate of the firm issued by the registrar of firms and the partnership deed executed between the partners as proof of identity.

³ A company should furnish certificate of incorporation and memorandum of association as proof of identity.

2.5 Project Inspection and Site Visit

- 2.5.1 Bidders may carry out inspection of the tourism property at any time at their own cost.
- 2.5.2 The Bidder would be granted permission by DoT to visit the tourism property on receipt of a formal written request, reasonably in advance of the proposed date of visit.
- 2.5.3 It is desirable that each Bidder submits its Proposal after visiting the tourism property and ascertaining for itself the location, surroundings, business potential or any other matter considered relevant by it.
- 2.5.4 It would be deemed that by submitting the Proposal, the Bidder has:
- a. made a complete and careful examination of terms & conditions/ requirements, and other information set forth in this RFP document
 - b. received all such relevant information as it has requested from DoT; and
 - c. made a complete and careful examination of the various aspects of the Project including but not limited to:
 - i. tourism property;
 - ii. existing facilities and structures;
 - iii. condition of the interiors, exteriors, appurtenances and the layout of the buildings including but not limited to open spaces around the tourism property;
 - iv. the conditions of the access roads and utilities in the vicinity of the tourism property;
 - v. conditions affecting transportation, access, disposal, handling and storage of materials;
 - vi. clearances obtained by DoT for the Project;
 - vii. business potential of Tourism Property; and
 - viii. all other matters that might affect the Bidder's performance under the terms of this RFP document.
- 2.5.5 DoT shall not be liable for any mistake or error on the part of the Bidder in respect of the above.

B. Documents

2.6 Contents of RFP

The RFP Document comprises the contents as listed below, and would additionally include any Addenda issued in accordance with Clause 2.7.

Part I	Instructions to Bidders
Part II	Project Information Memorandum
Part III	Draft Concession Agreement

2.7 Amendment of RFP

- 2.7.1 At any time prior to the Proposal Due Date, DoT may, for any reason, whether at its own initiative or in response to clarifications requested by a Bidder, modify the RFP Document by the issuance of an Addenda. Such Addenda would be posted on the website www.karnatakaturism.org.
- 2.7.2 Any Addendum thus issued will also be sent in writing to all those who have purchased the RFP Document and to those who have downloaded the RFP Document from the website and have duly intimated this fact to DoT giving their particulars including address for communication by fax (Registered Bidders). Bidders shall promptly acknowledge receipt thereof to DoT.
- 2.7.3 In order to provide the Bidders a reasonable time to examine the Addendum, or for any other reason, DoT may, at its own discretion, extend the Proposal Due Date.

2.8 Clarifications sought by Bidder

A prospective Bidder requiring any clarification on the RFP document may notify DoT in writing. The Bidders should send in their queries latest by the Last Date of Receiving Queries mentioned in the Schedule of Bidding Process (Section 5). DoT would endeavour to respond to the queries by the date mentioned in the Schedule of Bidding Process. The responses will be sent by fax / courier. DoT will forward its responses, at its sole discretion, to all purchasers of the RFP Document and Registered Bidders, which would include a description of the enquiry and the response of DoT without identifying the source of the enquiry.

C. Preparation and Submission of Proposal

2.9 Language and Currency

- 2.9.1 The Proposal and all related correspondence and documents should be written in the English language. Supporting documents and printed literature furnished by Bidder with the Proposal may be in any other language provided that they are accompanied by appropriate translations of the pertinent passages in the English language. Supporting materials, which are not translated into English, may not be considered. For the purpose of interpretation and evaluation of the Proposal, the English language translation shall prevail.

2.9.2 The currency for the purpose of the Proposal shall be the Indian Rupee (INR).

2.10 Bid Security

2.10.1 The Proposal shall be accompanied by a bid security for an amount of Rs.1,00,000/- (Rupees One Lakh only) ("Bid Security").

2.10.2 The Bid Security shall be kept valid throughout the Proposal Validity Period and would need to be extended if so required by DoT for any extension in Proposal Validity Period.

2.10.3 The Bid Security shall be in the form of an irrevocable Bank Guarantee issued by a scheduled bank in India in favour of DoT as per the format set out in Appendix D.

2.10.4 The Bid Security shall be returned to the unsuccessful Bidders within a period of eight (8) weeks from the date of announcement of the Successful Bidder. The Bid Security submitted by the Successful Bidder shall be released upon furnishing of the Performance Security in the form and manner stipulated in the Concession Agreement.

2.10.5 The Bid Security shall be forfeited in the following cases:

- a. If the Bidder modifies or withdraws the Proposal except as provided in Clause 2.17.
- b. If the Bidder withdraws its Proposal during the interval between the Proposal Due Date and expiration of the Proposal Validity Period.
- c. If the Successful Bidder fails to provide the Performance Security within the stipulated time or any extension thereof provided by DoT; and
- d. If any information or document furnished by the Bidder turns out to be misleading or untrue in any material respect

2.11 Validity of Proposal

The Proposal shall indicate that it shall remain valid for a period not less than forty (40) weeks from the Proposal Due Date ("Proposal Validity Period") in the format set out in Appendix A. DoT reserves the right to reject any Proposal that does not meet this requirement.

2.12 Extension of Validity of Proposal

2.12.1 In exceptional circumstances, prior to expiry of the original Proposal Validity Period, DoT may request Bidders to extend the Proposal Validity Period for a specified additional period.

2.12.2 A Bidder may refuse the request without forfeiting its Bid Security. A Bidder agreeing to the request will not be allowed to modify its Proposal, except as provided under Clause 2.17 but would be required to extend the validity of its Bid Security for the period of extension and comply with Clause 2.10 of this document.

2.12.3 The Successful Bidder shall, wherever required, extend the Proposal Validity Period till the date of execution of the Concession Agreement.

2.13 Format and Signing of Proposal

2.13.1 Bidders would provide all the information as per this RFP and in the specified format. DoT would evaluate only those Proposals that are received in the required format and complete in all respects.

2.13.2 The Proposals shall be submitted in two parts:

Part I Submission

This shall include the following:

- a. Covering Letter-cum-Project Undertaking, clearly stating the validity of the Proposal as per format enclosed as Appendix A;
- b. Power of Attorney for Signing of Proposal as per the format enclosed as Appendix B;
- c. Anti-Collusion Certificate as per the format enclosed as Appendix C.;
- d. Bid Security in the form of Bank Guarantee as per the format enclosed as Appendix D;
- e. Details of Bidder as per the format enclosed as Appendix E;
- f. Experience Statement of the Bidder as per the format enclosed as Appendix F;
- g. Financial Capability of the Bidder as per the format enclosed as Appendix G; along with the supporting documents as per the format enclosed as Appendix H and
- h. Bank Draft towards the cost of the RFP Document (in case the same has been downloaded from the website). In case the document is purchased from DoT, a photocopy of the receipt of the payment is to be enclosed.

Part II Submission

This shall include a Concession Payment Offer as per formats set out in Appendix I.

2.13.3 The Bidder shall prepare one (1) original of the documents comprising the Proposal and clearly marked "ORIGINAL". In addition, the Bidder shall make one (1) copy of the Proposal, clearly marked "COPY". In the event of any discrepancy between the original and the copy, the original shall prevail.

2.13.4 If the Proposal consists of more than one volume, Bidder must clearly number the volumes and provide an indexed table of contents.

2.13.5 The Proposal and its copy shall be typed or written in indelible ink and the Bidder shall initial each page. All the alterations, omissions, additions, or any other amendments made to the Proposal shall be initialled by the person(s) signing the Proposal.

2.14 Sealing and Marking of Proposals

2.14.1 The Bidder shall seal the Part I and Part II of the Proposal in separate envelopes, duly marking the envelopes as "**PART I SUBMISSION**" and "**PART II SUBMISSION**". The "**PART I SUBMISSION**" envelope and "**PART II SUBMISSION**" envelope should then be placed in a single outer envelope and sealed.

2.14.2 The Bidder shall seal the original and copy of the Proposal in separate envelopes, duly marking the envelopes as "**ORIGINAL**" and "**COPY**". The envelopes shall then be sealed in an outer envelope.

2.14.3 All the envelopes shall indicate the Name and Address of the Bidder.

2.14.4 Each envelope shall clearly bear the following identification:

**“Proposal for Refurbishment, Operate, Maintain and Transfer of Tourism Property
at Talakadu”**

2.14.5 All the envelopes shall be addressed to:

Attn. of	Director
Address	Department of Tourism No.49, II Floor, Khaniya Bhavan, West Entrance, Race course Road Bangalore - 560 001, Karnataka
Phone	080 - 22352525, 22352424
Fax	080 – 22352626

2.14.6 If the envelopes are not sealed and marked as instructed above, the Proposal may be deemed to be non-responsive and liable for rejection. DoT assumes no responsibility for the misplacement or premature opening of the Proposal submitted if the same is not in accordance with the prescribed format.

2.15 Proposal Due Date

- 2.15.1 Proposals should be submitted before 17.00 hours IST on the Proposal Due Date mentioned in the Schedule of Bidding Process, to the address provided in Clause 2.14.5 in the manner and form as detailed in this RFP. Proposals submitted by either facsimile transmission or telex will not be accepted.
- 2.15.2 DoT may, under exceptional circumstances, and at its sole discretion, extend the Proposal Due Date by issuing an Addendum in accordance with Clause 2.7 uniformly for all Bidders.

2.16 Late Proposals

Any Proposal received by DoT after 17.00 hours IST the Proposal Due Date will be returned unopened to the Bidder.

2.17 Modifications/ Substitution/ Withdrawal of Proposals

- 2.17.1 The Bidder may modify, substitute, or withdraw its Proposal after submission, provided that written notice of the modification, substitution, or withdrawal is received by DoT by the Proposal Due Date. No Proposal shall be modified, substituted, or withdrawn by the Bidder after the Proposal Due Date.
- 2.17.2 The modification, substitution, or withdrawal notice shall be prepared, sealed, marked, and delivered in accordance with Clause 2.13 and 2.14, with the envelopes being additionally marked "MODIFICATION", "SUBSTITUTION" or "WITHDRAWAL", as appropriate.
- 2.17.3 Withdrawal of a Proposal during the interval between the Proposal Due Date and expiration of the Proposal Validity Period would result in forfeiture of the Bid Security in accordance with Clause 2.10.5 of this document.

2.18 Pre-Proposal Meeting

- 2.18.1 To clarify and discuss issues with respect to the Project and the RFP document, DoT would hold Pre-Proposal meeting as mentioned in the Schedule of Bidding Process.
- 2.18.2 Prior to the Pre-Proposal meeting, the Bidders may submit a list of queries and propose deviations, if any, to the Project and/or the Concession Agreement. Bidders must formulate their queries and forward the same to DoT latest by the last date for receiving queries as mentioned in the Schedule of Bidding Process. DoT may, in its sole

discretion or based on inputs provided by Bidders that it considers acceptable, amend the RFP document.

2.18.3 Bidders may note that DoT will not entertain any deviations to the RFP document at the time of submission of the Proposal or thereafter. The Proposals to be submitted by the Bidders would have to be unconditional and unqualified and the Bidders would be deemed to have accepted the terms and conditions of the RFP with all its contents including the Draft Concession Agreement. Any conditional Proposal shall be regarded as non-responsive and would be liable for rejection.

2.18.4 Attendance of the Bidders at the Pre-Proposal meeting is not mandatory. However, subsequent to the meeting, DoT may not respond to queries from any Bidder who has not attended the Pre-Proposal meeting.

2.18.5 All correspondence / enquiries should be submitted to the following in writing by fax/ registered post / courier:

Attn. of	Director
Address	Department of Tourism No.49, II Floor, Khaniya Bhavan, West Entrance, Race course Road Bangalore - 560 001, Karnataka
Phone	080 - 22352525, 22352424
Fax	080 –22352626

2.18.6 No interpretation, revision, or other communication from DoT regarding this solicitation is valid unless it is in writing and is signed by Director, DoT. DoT may choose to send to all Bidders, written copies of DoT's responses, including a description of the enquiry, but without identifying its source, to all the Bidders.

D. Evaluation of Proposal

2.19 Proposal Opening

2.19.1 DoT would open the Proposals on any working day within 30 days of the Proposal Due Date for the purpose of evaluation.

2.19.2 Proposals for which an acceptable notice of withdrawal has been submitted in accordance with Clause 2.17 shall not be opened.

2.19.3 DoT would subsequently examine and evaluate Proposals in accordance with the criteria set out in Section 3 and 4.

2.20 Confidentiality

Information relating to the examination, clarification, evaluation, and recommendation for the Bidders shall not be disclosed to any person not officially concerned with the process. DoT will treat all information submitted as part of the Proposals in confidence and would require all those who have access to such material to treat the same in confidence. DoT will not divulge any such information unless it is ordered to do so by any authority pursuant to applicable law or order of a competent court or tribunal, which requires its disclosure.

2.21 Tests of Responsiveness

2.21.1 Prior to evaluation of Proposals, DoT will determine whether each Proposal is responsive to the requirements of the RFP document. A Proposal shall be considered responsive if:

- a. it is received before 17.00 Hrs (IST) on the Proposal Due Date including any extension thereof pursuant to Clause 2.15.2;
- b. it is signed, sealed and marked as stipulated in Clause 2.13 and 2.14;
- c. it contains the information and documents as requested in the RFP document;
- d. it contains Bid Security as specified in the RFP document;
- e. it contains information in formats specified in the RFP document;
- f. it mentions the validity period as set out in Clause 2.11;
- g. it provides the information in reasonable detail. ("Reasonable Detail" means that, but for minor deviations, the information can be reviewed and evaluated by DoT without communication with the Bidder). DoT reserves the right to determine whether the information has been provided in reasonable detail; and
- h. there are no inconsistencies between the Proposal and the supporting documents.

2.21.2 A Proposal that is substantially responsive is one that conforms to the preceding requirements without material deviation or reservation. A material deviation or reservation is one which,

- a. affects in any substantial way, the scope, quality, or performance of the Project, or
- b. limits in any substantial way, inconsistent with the RFP document, DoT 's rights or the Bidder's obligations under the Concession Agreement, or
- c. unfairly affects the competitive position of other Bidders presenting substantially responsive bids.

2.21.3 DoT reserves the right to reject any Proposal which is non-responsive and no request for alteration, modification, substitution or withdrawal shall be entertained by DoT in respect of such Proposals.

2.22 Clarifications sought by DoT

To assist in the process of evaluation of Proposals, DoT may, at its sole discretion, ask any Bidder for clarification on its Proposal. The request for such clarification shall be in writing or by facsimile. No material change in the substance of the Proposal would be permitted by way of such clarification.

2.23 Consultant(s) or Advisor(s)

To assist in the examination, evaluation, and comparison of Proposals, DoT may utilise the services of consultant(s) or advisor(s).

2.24 Proposal Evaluation: Part I Submission

2.24.1 In stage I of the Proposal evaluation, the Part I Submissions of the Proposal would first be checked for responsiveness with the requirements of the RFP document.

2.24.2 The evaluation of the Proposal of a bidder shall then consist of checking the suitability of the Bidders in order to meet the Criteria for Qualification set out in Section 3.

2.24.3 The evaluation of the Part II Submission would be taken up only after the contents of the Part I Submission are found to meet the requirements of this RFP document. DoT reserves the right to reject the Proposal of a Bidder without opening the Part II Submission if, in its opinion, the contents of Part I Submission are not substantially responsive with the requirements of this RFP document.

2.25 Proposal Evaluation: Part II Submission

2.25.1 The Part II Submission would be evaluated on the basis of the Criteria for Evaluation set out in Section 4. The Bidder offering the best proposal as per the evaluation criteria indicated in Section 4 shall be declared as the Preferred Bidder for the Project.

2.26 Declaration of Successful Bidder

2.26.1 DoT may either choose to accept the Proposal of the Preferred Bidder or invite the preferred bidder for negotiations.

2.26.2 Upon acceptance of the Proposal of the Preferred Bidder with or without negotiations, DoT shall declare the Preferred Bidder as the Successful Bidder.

2.27 Notifications

DoT will notify the Successful Bidder by facsimile and by Letter of Award (LoA) that the Proposal has been accepted.

2.28 Acknowledgement of Letter of Acceptance (LoA) and Execution of Concession Agreement

2.28.1 Within two (2) weeks from the date of issue of the LoA, the Successful Bidder shall acknowledge the LoA and return the same to DoT. The Successful Bidder shall execute the Concession Agreement within six (6) weeks of issue of LOA. Along with its acknowledgement of the LoA, the Successful Bidder shall pay the bid processing charge of Rs. 4,00,000/- (Rupees four lakhs only) along with applicable taxes at prevailing rates payable by cheque / demand draft in favour of "Infrastructure Development Corporation (Karnataka) Ltd." payable at Bangalore

2.29 Performance Security

2.29.1 At the time of signing of Concession Agreement the Successful Bidder shall furnish Performance Security by way of an irrevocable Bank Guarantee issued by a scheduled bank in India in favour of DoT, as required under the Concession Agreement.

2.29.2 Failure of the Successful Bidder to comply with the requirements of Clause 2.28.1 and 2.29.1 shall constitute sufficient grounds for the annulment of the LoA, and forfeiture of the Bid Security. In such an event, DoT reserves the right to

a. Either invite the next best Bidder to match the offer given by such disqualified Bidder:

OR

b. take any such measure as may be deemed fit in the sole discretion of DoT, including annulment of the bidding process.

2.30 DoT 's Right to Accept or Reject Proposal

2.30.1 DoT reserves the right to accept or reject any or all of the Proposals and to take any measure as it may deem fit, including annulment of the bidding process, at any time prior to signing of agreement, without liability or any obligation for such acceptance, rejection or annulment.

2.30.2 DoT reserves the right to reject any Proposal if at any time:

- a. a material misrepresentation made at any stage in the bidding process is uncovered; or
- b. the Bidder does not respond promptly and thoroughly to requests for supplemental information required for the evaluation of the Proposal.

This would lead to the disqualification of the Bidder. If such disqualification/ rejection occurs after the Proposals have been opened and the Successful Bidder gets disqualified/ rejected, then DoT reserves the right to:

- a. Either invite the next best Bidder for negotiations; or
- b. take any such measure as may be deemed fit in the sole discretion of DoT, including annulment of the bidding process.

3. CRITERIA FOR QUALIFICATION

A. General

3.1 Evaluation Parameters

3.1.1 The Bidder's competence, capability and eligibility is proposed to be established by the following parameters:

- a. Experience as hotel operator
- b. Financial capability in terms of
 - i. Net worth
 - ii. Net cash accruals

3.1.2 On each of these parameters, the Bidder would be required to meet the evaluation criteria as detailed in this Section 3.

B. Experience

3.2 Eligible Experience

3.2.1 Bidder's experience shall be measured in terms of number of years of operating a hotel.

3.3 Qualification Criterion for Experience

Qualification Criterion
Any Bidder who has experience of operating/ managing continuously since April 01, 2005 either one of the following: <ul style="list-style-type: none">a. A two (2) star and above category hotel⁴; orb. A minimum ten (10) room hotel; would be deemed to meet the experience criterion for qualification

3.4 Details of Experience

3.4.1 The Bidder should furnish the details of eligible experience as on the date of submission of the Proposal.

3.4.2 The Bidder should furnish adequate evidence to support its claim as per Appendix F.

⁴ As approved by Ministry of Tourism (Government of India)/ Appropriate Authority

C. Financial Capability

3.5 Financial Capability

3.5.1 Financial capability of the Bidders would be judged on the basis of the following:

- a. Net worth as at the end of the most recent financial year;
- b. Aggregate net cash accruals⁵ for the last two (2) completed financial years; and

The Bidders should provide information regarding the above based on audited annual accounts for the respective financial years. The financial year would be the same as the one normally followed by the Bidder for its Annual Report.

3.5.2 The Proposal must be accompanied by the audited annual financial statements⁶ of the Bidder for the last two (2) financial years.

3.5.3 In case the annual accounts for the latest financial year are not audited and therefore the Bidder could not make it available, the Bidder shall give an undertaking to that effect and the statutory auditor shall certify the same. In such a case, the Bidder may provide the unaudited Annual Accounts (with Schedules) for the latest financial year. In any case, the Audited Annual Financial Statements for two (2) years preceding the latest financial year would have to be provided.

3.5.4 The Bidder should furnish adequate evidence to support its claim as per Appendix G.

3.6 Evaluation Criteria for Financial Capability

3.6.1 For the purpose of Qualification, a Bidder would be required to demonstrate the Threshold Financial Capability measured on the criteria (Reference Appendix G) listed below. The Bidder would have to satisfy both the criteria:

Qualification Criterion	
a.	Networth of the Bidder as at the end of the most recent financial year shall be at least equal to Rs.25 Lakhs; or
b.	The aggregate net cash accruals of the Bidder for the last two financial years shall be at least equal to Rs.15 Lakhs; or

⁵ Aggregate net cash accruals are the total sum of net cash accruals of the last two financial years.

⁶ Audited annual financial statements should be submitted in case a bidder is a company. Incase of partnership firms and sole proprietorship firm, if audited financial statements are not available, Chartered Accountant Certificate showing working of the three financial parameters for last three years supported by copy of income tax returns may be submitted.

For the purposes of analysis only figures from the latest two audited annual financial statements would be considered.

3.7 Qualified Bidders

Bidders meeting both the Experience Criteria and Financial Capability Criteria shall be declared as Qualified Bidder.

4. CRITERIA FOR EVALUATION

4.1 Evaluation Parameters

- 4.1.1 The Part II Submissions of only the Qualified Bidders would be evaluated for selection of the Preferred Bidder.
- 4.1.2 The Proposal of the Bidders for the Project would be evaluated on the basis of Concession Payment Offer.

4.2 Concession Payment Offer

- 4.2.1 The Concession Payment Offer for the Project would be evaluated.
- 4.2.2 The Concession Payment Offer by the Bidder to DoT would consist of the following two (2) payments:

Payment	Description
Upfront Payment	The first component of the payments to DoT by the bidder would be an Upfront Payment at the time of signing of Concession Agreement. This payment is equal for all the Bidders and has been indicated in Appendix I.
Concession Period Payment	The second component of the payments to DoT by the Bidder would be the annual amount as quoted by the Bidder.

- 4.2.3 The Bidder quoting the highest the Concession Period Payment over the Concession Period for the Project would be declared as the Preferred Bidder.

4.3 Special Conditions Relating to Selection of Successful Bidder

- 4.3.1 In the event that two or more bidders quote exactly the same Concession Period Payment then DoT reserves the right either to,
 - a. invite fresh financial proposals from these Bidders;
 - OR
 - b. take any such measure as may be deemed fit in its sole discretion, including annulment of the bidding process.

5. SCHEDULE OF BIDDING PROCESS

DoT would endeavour to adhere to the following schedule:

S. No.	Event Description	Date
1	Last Date of Receiving Queries	June 16, 2008 at 16.00 hours (IST)
2	Pre-Bid Meeting	June 18, 2008 at 16.00 hours (IST)
3	DoT 's Response to the Queries	June 20, 2008 at 16.00 hours (IST)
4	Proposal Due Date	July 4,2008

The Pre-Bid Meeting would be held at the office of Director, Department of Tourism, No.49, II Floor, Khaniya Bhavan, West Entrance, Race course Road Bangalore - 560 001, Karnataka
Phone: 080 - 22352525, 22352424, Fax: 080 - 22352626

Any changes to the above would be posted on the website www.karnatakaturism.org

APPENDIX A

FORMAT FOR COVERING LETTER-CUM-PROJECT UNDERTAKING

(On the letterhead of the Bidder)

Date:

To
Director
Department of Tourism
No.49, II Floor
Khanija Bhavan, West Entrance
Race Course Road
Bangalore – 560 001

Dear Sir:

**Ref: Proposal for Refurbishment, Operate, Maintain and Transfer of Tourism Property
at Talakadu in Karnataka with Private Participation**

Being duly authorized to represent and act on behalf of.....
(hereinafter referred to as “the Bidder”), and having reviewed and fully understood all of the
information provided in the Request for Proposal (RFP) document provided to us by DoT in
respect of the captioned Project, the undersigned hereby submits the Proposal in response to
the RFP.

For your evaluation, we are enclosing our Proposal in one (1) original and one (1) copy, with
the details as per the requirements of the RFP for the Project:

We confirm that our Proposal is valid for a period of Forty (40) weeks from _____
(Proposal Due Date).

We also hereby agree and undertake as under:

Notwithstanding any qualifications or conditions, whether implied or otherwise, contained in our
Proposal we hereby represent and confirm that our Proposal is unqualified and unconditional
in all respects and we agree to the terms of the proposed Concession Agreement, a draft of
which also forms a part of the RFP document provided to us.

.....
Signature of the Authorised Person
(Name, Designation and Address)

APPENDIX B

FORMAT FOR POWER OF ATTORNEY FOR SIGNING OF PROPOSAL

(On Stamp paper of relevant value)

POWER OF ATTORNEY

Know all men by these presents, We..... *(Name and address of the registered office)* do hereby constitute, appoint and authorise Mr / Ms..... *(name and residential address)* who is presently employed with us and holding the position of as our attorney, to do in our name and on our behalf, all such acts, deeds and things necessary in connection with or incidental to our bid for Proposal for Refurbishment, Operate, Maintain and Transfer of Tourism Property at Talakadu in Karnataka for which proposals are invited by Department of Tourism (DoT), including signing and submission of all documents and providing information/ responses to DoT in all matters in connection with our Proposal for the Project.

We hereby agree to ratify all acts, deeds and things lawfully done by our said attorney pursuant to this Power of Attorney and that all acts, deeds and things done by our aforesaid attorney shall and shall always be deemed to have been done by us.

Dated this the _____ Day of _____ 2008

For _____

*(Name and designation of the person(s)
signing on behalf of the Bidder)*

Accepted

_____ *(Signature)*

(Name, Title and Address of the Attorney)

Date :

Note:

- 1. The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required the same should be under common seal affixed in accordance with the required procedure.*
- 2. Also, wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a resolution/ power of attorney in favour of the Person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.*
- 3. In case the Proposal is signed by an authorised Director/representative, a certified copy of the appropriate resolution / document conveying such authority may be enclosed in lieu of the Power of Attorney.*

APPENDIX C

FORMAT FOR ANTI-COLLUSION CERTIFICATE

(On the letterhead of the Bidder)

Anti-Collusion Certificate

We hereby certify and confirm that in the preparation and submission of our Proposal for Proposal for Refurbishment, Operate, Maintain and Transfer of Tourism Property at Talakadu in Karnataka, we have not acted in concert or in collusion with any other Bidder or other person(s) and also not done any act, deed or thing which is or could be regarded as anti-competitive.

We further confirm that we have not offered nor will offer any illegal gratification in cash or kind to any person or agency in connection with the instant Proposal.

Dated thisDay of, 2008

.....

(Name of the Bidder)

.....

(Signature of the Authorised Person)

.....

(Name of the Authorised Person)

APPENDIX D

FORMAT FOR BID SECURITY

(To be issued by a Scheduled Bank in India)

B.G. No. _____ dated _____.

This Deed of Guarantee executed at _____ by _____ (Name of Bank) having its Head/ Registered office at _____ (hereinafter referred to as "the Guarantor") which expression shall unless it be repugnant to the subject or context thereof include its, successors and assigns;

In favour of

Director, Department of Tourism, Government of Karnataka (hereinafter called " DoT ") having its office at No.49, II Floor, Khaniya Bhavan, West Entrance, Race Course Road, Bangalore – 560 001, which expression shall unless it be repugnant to the subject or context thereof include its successors and assigns;

WHEREAS

- A. _____⁷, a company registered under provisions of the Companies Act, 1956/registered partnership firms /a sole proprietor, having its registered office at _____ (hereinafter called "the Bidder") which expression shall unless it be repugnant to the subject or context thereof include its/ their executors administrators, successors and assigns, intends to bid for Proposal for Refurbishment, Operate, Maintain and Transfer of Tourism Property at Talakadu in the state of Karnataka (hereinafter referred to as "the Project").
- B. In terms of Clause 2.10 of the Request for Proposal Document issued in respect of the Project (hereinafter referred to as "RFP Document") the Bidder is required to furnish to DoT an unconditional and irrevocable Bank Guarantee for an amount of Rs.1,00,000/- (Rupees One Lakh only) as Bid Security.
- C. The Guarantor has at the request of the Bidder and for valid consideration agreed to provide such Bank Guarantee being these presents:

NOW THEREFORE THIS DEED WITNESSETH AS FOLLOWS:

- a. The Guarantor, as primary obligor shall, without demur, pay to DoT an amount not exceeding Rs. 1,00,000/- (Rupees One Lakh only), within 5 days of receipt of a written demand from DoT calling upon the Guarantor to pay the said amount and satisfy that the Bid Security has been fortified interms of Clause 2.10.5 of the RFP document
- b. Any such demand made on the Guarantor by DoT shall be conclusive and absolute as regards the forfeiture of Bid Security and the amount due and payable by the Guarantor under this Guarantee.

⁷ Insert name of the Successful Bidder (a company/partnership firm/sole proprietor) as the case may be

- c. The above payment shall be made without any reference to the Bidder or any other person and irrespective of whether the claim of DoT is disputed by the Bidder or not.
- d. This Guarantee shall be irrevocable and remain in full force for a period of _____months⁸ from (date)⁹ _____ or for such extended period as may be mutually agreed between DoT and the Bidder and shall continue to be enforceable till all amounts under this Guarantee are paid.
- e. The Guarantee shall not be affected by any change in the constitution or winding up of the Bidder/ the Guarantor or any absorption, merger or amalgamation of the Bidder/ the Guarantor with any other person.
- f. In order to give full effect to this Guarantee, DoT shall be entitled to treat the Guarantor as the principal debtor. The obligations of the Guarantor shall not be affected by any variations in the terms and conditions of the RFP Document or other documents or by extension of time of performance of any obligations granted to the Bidder or postponement/ non exercise/ delayed exercise of any of its rights by DoT against the Bidder or any indulgence shown by DoT to the Bidder and the Guarantor shall not be relieved from its obligations under this Bank Guarantee on account of any such variation, extension, postponement, non exercise, delayed exercise or omission on the part of DoT or any indulgence by DoT to the Bidder to give such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving the Guarantor.
- g. The Guarantor has power to issue this Guarantee and discharge the obligations contemplated herein, the undersigned is duly authorised to execute this Guarantee pursuant to the power granted under _____.

IN WITNESS WHEREOF THE GUARANTOR HAS SET ITS HANDS HEREUNTO ON THE DAY, MONTH AND YEAR FIRST HEREINABOVE WRITTEN.

Signed and Delivered by _____ Bank

by the hand of Mr _____

its _____ and authorised official.

⁸ Proposal Validity Period

⁹ Proposal Due Date

APPENDIX E

FORMAT FOR DETAILS OF BIDDER

1.
 - (a) Name
 - (b) Address of office
 - (c) Date of incorporation and/ or commencement of business.

2. Brief description of the Bidder including details of its main lines of business and proposed role and responsibilities in the Project.

3. Details of individual who will serve as the point of contact/ communication with DoT:
 - (a) Name :
 - (b) Designation :
 - (c) Company :
 - (d) Address :
 - (e) Telephone Number :
 - (f) E-Mail Address :
 - (g) Fax Number :
 - (h) Mobile Number :

4. Name, Designation, Address and Phone Numbers of Authorised Signatory of the Bidder:
 - (a) Name :
 - (b) Designation :
 - (c) Company :
 - (d) Address :
 - (e) Telephone Number :
 - (f) E-Mail Address :
 - (g) Fax Number :
 - (h) Mobile Number :

APPENDIX F

FORMAT FOR EXPERIENCE OF BIDDER

Hotel Name	Specify Hotel	Category of Hotel	No. of Rooms	Experience	
				Number of Years	Period (___ to ___)

Note:

1. Bidders are expected to provide information in respect of hotels in this section. The properties cited must comply with the eligibility criteria specified in Clause 3.2 and 3.3.
2. The Bidder should provide details of only those properties operating by it under its own name. Operating experience of the Bidder's parent company/ firm or its subsidiary or any associate company/ firm would not be considered for qualification purpose.
3. Categories of hotel: 1 star = 1, 2 star = 2, 3 star and above = 3
4. The following documents should be attached as proof of classification and experience:
 - a. Where the hotel is classified as a star category hotel, appropriate certificate(s) of classification from the Ministry of Tourism (Government of India)/Appropriate Authority clearly indicating the name of the hotel. Further, since continuous operating experience from April 1, 2005 is required, the certificate(s) submitted should clearly establish that the said hotel has been classified throughout this period.
 - b. Where the hotel is not classified, a certificate from the statutory auditors/chartered accountant indicating the number of rooms in the hotel and the period of operation (from _____ to _____) should be provided.
 - c. Where the Bidder is operating such hotel for which experience is being claimed, under a Concession Agreement/ Management Contract, the following certificates/ documentary evidence would need to be provided:
 - i. Copy of the Concession Agreement(s)/ Management Contract(s) entered into by the Bidder with the Owner of the hotel for the period of experience claimed;

- ii. Certificate from any competent governmental authority or statutory auditors of such Owner of the hotel, certifying the ownership of the said hotel for the period of experience claimed.

- d. In case the Bidder's name differs from the name of the hotel, a certificate from the statutory auditor/ chartered accountant indicating that the said hotel is owned by the Bidder needs to be provided.

(On the Letter head of the Auditor)

Date:

TO WHOMSOEVER IT MAY CONCERN

We have verified the relevant statutory and other records of M/s _____
[Name of the Bidder], and certify that the _____ Hotel (name of the hotel) is
owned by M/s _____ [Name of the Bidder]. We also certify that the
_____ Hotel (name of the hotel) has been functioning since _____
(Date of commencement of operation) with _____ (No. of Rooms) number of rooms,
which are being let out on daily/ monthly basis. This certificate is being issued to be
produced before Department of Tourism.

Signature and Rubber stamp of the Auditor
clearly indicating his/her membership
number

It may be noted that in the absence of the above information, the Proposal could be considered non-responsive.

APPENDIX G

FORMAT FOR FINANCIAL CAPABILITY# OF BIDDER

Net Worth (Equivalent Rs. Lakhs)	Net Cash Accruals (Equivalent Rs. Lakhs)	
	Year 1	Year 2

The Bidder should provide the Financial Capability based on its own financial statements. Financial Capability of the Bidder's parent company or its subsidiary or any associate company will not be considered for computation of the Financial Capability of the Bidder.

General Instructions:

1. Net Cash Accruals = (Profit After Tax + Depreciation + Non cash Expenses)
2. Net Worth
 - a. For company = (Subscribed and Paid-up Capital + Reserves) - (Revaluation reserves + Miscellaneous expenditure not written off)
 - b. For Partnership Firm = Aggregate of partners' capital account + Reserves - Aggregate of drawings by partners - Aggregate of advances to partners
 - c. For Sole Proprietorship Firm = Aggregate of Proprietors' capital account + Reserves - Aggregate of drawings by Proprietor - Aggregate of advances to Proprietor + Investments in Bank Deposits + Investments in Mutual Funds
3. Special Instructions for a Sole Proprietorship Firm:
 - a. Proof of individual deposits shall be submitted from each bank/ mutual fund
 - b. Details of Bank Accounts of the Sole Proprietor:

S. No.	Name of Bank	Address of the Bank	Account No.	Currency and Conversion Rate	Account Balance as on March 31, 2007 ¹⁰
1.					
2.					
Total					

¹⁰ Currency conversion rate as on March 31, 2007 to be used.

c. Details of Mutual Fund Accounts of the Sole Proprietor:

S. No.	Name of Mutual Fund	Address of the Mutual Fund	Account No.	No. of Units (a)	NAV per unit as on March 31, 2008 (b)	Total NAV as on March 31, 2008 (a) * (b)
1.						
2.						
	Total					

4. Year 1 shall be Financial Year 2007-08 and Year 2 shall be Financial Year 2006-07.
5. The financial year would be the same as the one normally followed by the Bidder for its Annual Report.
6. The Bidder shall provide the audited annual financial statements as required for this RFP.
7. The Bidder should clearly indicate the calculations and references in the financial statements in arriving at the above numbers in an attached worksheet.
8. A certificate from the statutory auditor / chartered accountant, as the case may be, in the format set out in Appendix H should be provided by the bidder as supporting document for Financial Capability of the bidder.

APPENDIX H

Format for Certificate from Bidder's Statutory Auditor / Chartered Accountant for
Financial Capability Criteria
(On the Letterhead of Auditor / Chartered Accountant)

TO WHOMSOEVER IT MAY CONCERN

Date:

We have verified the relevant statutory and other records of M/s _____
[Name of the Bidder], and certify the following:

Criteria	For Year 1 (Financial Year 2007- 2008)	For Year 2 (Financial Year 2006- 2007)
Networth		-
Net Cash Accruals		

Signature and Seal

Registration Number of Statutory Auditor

APPENDIX I

FORMAT FOR PART II SUBMISSION: CONCESSION PAYMENT OFFER

Concession Payment Offer: Payment Offered to DoT

1. Upfront Payment= 5 lakhs
2. Concession Period Payment = Rs _____/year -(Rupees _____
_____only)

Note:

1. *The Upfront payment is a fixed payment payable by the Bidder to DoT at the time of signing of the concession agreement*
2. *The Concession Period Payment is the payment additionally offered and is to be quoted by the Bidder.*
3. *The Concession Period Payment would increase by 3% annually over the previous payment for every year throughout the Concession Period.*
4. *Concession Period Payment shall be made on each anniversary of the date of signing of Concession Agreement.*
5. *In case of difference in amount quoted in figures and words, the higher value would be considered for evaluation.*

APPENDIX J

BID PROCESSING CHARGES

The Successful Bidder shall simultaneously with the acknowledgement of the LoA pay by means of cheque in favour of Infrastructure Development Corporation (Karnataka) Limited, Bangalore Rs.4,00,000/- (Rupees Four Lakhs) plus service tax at prevailing rates towards Bid Processing Charges.