

Pre-Bid Clarifications

Pre Bid Clarifications

S No.	Document and Clause	Existing provision	Clarification required	Suggested text	Mandi Board’s Response
1	Volume I: Instruction to Bidders - 2.21.2	Mandi Board has fixed a reserve price of Rs. 14 crore (Rupees Fourteen Crore Only) for the project.	The reserve price for the projects seems to be on the higher side considering the current market trends making the projects less viable.	Can the reserve price be revised for the subject locations?	As per RFP and Draft Concession Agreement , No change
2	Volume I: Instruction to Bidders – 1.1	Sole evaluation criteria would be the highest Up-Front Concession Fee payable to Mandi Board quoted by a Bidder to undertake the PPP component of the Project on BOT basis for a fixed period of thirty (30) years from Commercial Operations Date (extendable by another 20 years) Date (hereinafter referred to as the ‘ Concession Period ’).	Can the concession period of 30 years (extendable by another 20 years) be revised to 99 years in the beginning itself to improve the project feasibility? (Concession period has been revised in case of Mihan in Nagpur and also incase of Development of MIDC Truck Terminals in Maharashtra).	Sole evaluation criteria would be the highest Up-Front Concession Fee payable to Mandi Board quoted by a Bidder to undertake the PPP component of the Project on BOT basis for a fixed period of ninety-nine (99) years from Commercial Operations Date (hereinafter referred to as the ‘ Concession Period ’).	As per RFP and Draft Concession Agreement , No change

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3	Volume I: Instruction to Bidders – 1.4.5	<p>Bidder is required to deposit, along with its Pre-Qualification Documents a Bid Security of Rupees Rs.1.4 crores (Rupees One crores Forty Lakhs only) in the form of a Fixed Deposit Receipt or a bank guarantee or a Demand Draft in favour of “Managing Director, M.P. State Agricultural Marketing Board” in order to bid for the Project.</p>	<p>Bid security amount seems to be high as most of the companies bidding for such large scale infrastructure projects have to arrange multiple bank guarantees from time to time.</p>	<p>We would request Mandi Board to revise the bid security amount to 10 lacs and also accept bank guarantees from both nationalized and scheduled commercial banks.</p>	<p>As per RFP and Draft Concession Agreement , No change</p>
4	Volume I: Instruction to Bidders – 2.22	<p>Performance Security: The Developer shall submit a Performance Security for an amount of Rs. [4 crores] (Rupees Four Crores only), in the form of Bank Guarantee drawn on nationalized bank in India at the time of signing the concession agreement.</p>	<p>Performance security amount seems to be high as most of the companies bidding for such large scale infrastructure projects have to arrange multiple bank guarantees from time to time. This shall lead to locking of our available limits with financial institutions.</p>	<p>We would request Mandi Board to revise the performance security amount to 20 lacs and also accept bank guarantees from both nationalized and scheduled commercial banks.</p>	<p>As per RFP and Draft Concession Agreement , No change</p>
5	Volume I: Instruction to Bidders – 3.1.1	<p>Category B: a)Financial/Technical Capacity: Bidder (Sole Bidder or the Lead member of the Consortium) should have a Net worth of more than Rs.300 crores. In this case, no separate Technical Capability is required.</p>	<p>We request this limit to be revised to Rs.250 crores.</p>	<p>Category B: a)Financial/Technical Capacity: Bidder (Sole Bidder or the Lead member of the Consortium) should have a Net worth of more than Rs.250 crores. In this case, no separate Technical Capability is required.</p>	<p>The Category B has been revised as following: Category B: a) Financial/ Technical Capacity: Bidder (Sole Bidder or the Lead member of the Consortium) should have a Net worth of more than Rs.250 crores. In this case, no separate Technical Capability is required.</p>

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6	Volume I: Instruction to Bidders – 1.3.3	Component-wise Obligations Development	We request for a list of mandatory and optional facilities at logistics hub.	Please provide a table indicating – 1. Name of facility 2. Minimum and maximum development size permissible 3. Open space/ circulation area requirements 4. FSI permissible, 5. Type of facility- mandatory or optional 6. Estimated revenue estimates	Please refer to schedule 2 & 3 of DCA for minimum development obligations in 2 and 8 years for the project. PIM – section 7 provides indicative details of land area to be covered for each activity. No revenue estimates have been provided. These will need to be determined by the bidders based on their own cargo estimates and pricing assumptions. Support information and cargo profile etc. are provided for this in the PIM document.
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7	Volume II: DCA – 2.1.4	<p>The Parties agree that to facilitate the execution of the Project the Developer shall be entitled, in its own name to obtain loans or raise funds from any lender and as security for the same to create an Encumbrance on the Facilities built upon the Project Land, but not upon the Project Land provided that the Developer shall require prior approval and consent of the Mandi Board before the creation of any Encumbrance upon the Facilities which consent shall not be unreasonably withheld and that the Encumbrance shall not subsist at the time of handing over of the Facilities on expiry of the Concession Period or termination hereof.</p>	<p>We request that mortgaging of the project land for the period of concession agreement with the financial institutions should be permitted.</p>	<p>The Parties agree that to facilitate the execution of the Project the Developer shall be entitled, in its own name to obtain loans or raise funds from any lender and as security for the same to create an Encumbrance on the Facilities built upon the Project Land, and also upon the Project Land provided that the Developer shall require prior approval and consent of the Mandi Board before the creation of any Encumbrance upon the Facilities which consent shall not be unreasonably withheld and that the Encumbrance shall not subsist at the time of handing over of</p>	<p>As per RFP and Draft Concession Agreement , No change</p>
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8	Volume II: DCA – 6.5	<p>Water, Power and Utilities: The Mandi Board shall co-ordinate on a reasonable effort basis between other state government agencies as may be required for the provision of water, power and other utilities to the Developer provided the Developer complies with the existing rules and laws. The Mandi Board shall not however be liable in any manner whatsoever for the non-provision of utilities. All cost or expenses on water, power and utilities are to be borne by the Developer.</p>	<p>We request an assurance for provisioning of public utilities such as water, electricity and other utilities from Mandi Board.</p>	<p>Water, Power and Utilities: The Mandi Board shall co-ordinate on a reasonable effort basis between other state government agencies as may be required for the provision of water, power and other utilities to the Developer provided the Developer complies to the existing rules and laws. The Mandi Board shall also be liable for the non-provision of utilities. All cost or expenses on water, power and utilities are to be borne by the Developer; however, Mandi Board shall ensure provisioning of public utilities on site.</p>	<p>Mandi Board would not provide any assurances other than those already mentioned in the RFP or Draft Concession Agreement.</p>
				<p>For site visit, who should be contacted and how will visit be arranged?</p>	<p>Any interested Bidder can conduct Site visit at its own cost. The Bidders may contact Mandi Board’s Assistant Engineer for the area Mr. Ram Gopal Tiwari (09425475864) for any queries about exact coordinates of the land.</p>

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				Does the land stretch have access to the state / national highway? In case the land is not on highway, would an approach road be provided?	The Identified site is located on the Highway. Refer to Project Information memorandum for more details.
				3. Surety of water availability? Would the infrastructure to get water from the nearest water supply scheme be provided?	The Bidder may use Ground Water available at the site. Mandi Board would not Provide any surety or incentive other than those mentioned in the RFP or Draft Concession Agreement. Including the extraction of Ground Water.
				4. Is there any provision for subsidized water and power tariffs for the project?	Mandi Board would not provide any subsidy or any other incentive other than those mentioned in the RFP or Draft Concession Agreement. Private Developer can avail benefit of any incentive provided by Government of Madhya or any of its organizations or Departments, in case applicable. However, availing such benefits would be the responsibility of private Developer only without any liability of Mandi Board whatsoever.
				5. Is there any limit on the warehousing rent / other charges that the successful bidder can demand from other	Refer to Draft Concession Agreement section 7.3
				6. We would like to know about the “bid variable component” for the bidding process more	Refer to clause 2.21 of RFP

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				7. To improve the project viability (since it involves huge investment), is it possible to increase the period of concession agreement to 99 years instead of 30 years.	As per RFP and Draft Concession Agreement, No change
				8. What is the FAR considered for the project.	Please refer to PIM section 7 for the land area and facility planning details of the project. A master layout drawing has also been provided in the PIM in Appendix 2 & 3
				9. Is service tax exemption applicable to the proposed components	Private Developer can avail benefit of any incentive provided by Government of Madhya or any of its organizations or Departments, in case applicable. However, availing such benefits would be the responsibility of private Developer only without any liability of Mandi Board whatsoever.
				10. Is the land available free from encroachment?	Yes, Land available as mentioned in the RFP is Free from Encroachment
	Request for Proposal Volume I; (1.4.5)	The validity period of the Bid Security shall not be less than 180 days	Liability of the Mandi Board to pay interest on bid security in case not able to refund the security amount in a bounded time after 180 days		Mandi Board would make all sincere efforts possible to return the bid security before 180 days. However, Mandi Board would not be liable to pay any interest what so ever in case of any delays.

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Request for Proposal Volume I; (1.4.5)	Bidder is required to deposit, along with its Pre-Qualification Documents a Bid Security of Rupees Rs.1.4 crores (Rupees One crores Forty Lakhs only) in the form of a Fixed Deposit Receipt or a bank guarantee	The amount of Bid security is on a higher side		As per RFP. No change
Request for Proposal Volume I; (2.22)	The Developer shall submit a Performance Security for an amount of Rs. [4 crores] (Rupees Four Crores only), in the form.....	The amount of Performance Security is on Higher side , also the liability of the Mandi Board for holding the money beyond COD		As per RFP and Draft Concession agreement, No change.
Request for Proposal Volume I; Data Sheet pt. 7	Estimated Project Cost of Facilities to be developed by Developer PPP (Indicative only) - Rs. 138.5 crores	Details of calculations on these indicative costs		Please refer to Appendix A to this response sheet for project wise block level cost estimates used for arriving at the figure of INR 138.53 crores.
Request for Proposal Volume I (1.3.1)	The Development Obligations, to be developed on 63.3 acres out of 88.3 acres at the disposal of the Selected Bidder	Whether the rest share of the Land (83.3-63.3) will be under the custody of Developer or Mandi Board		Mandi Board would release all the Land (88.3 acres) to Developer. Further, Refer to Draft Concession Agreement Clause 6.3 for more details on the area earmarked for Additional Facilities
Request for Proposal Volume I (1.3.5)	The Selected Bidder will be required to prepare an Operations Manual for the operation of the facility	What will be the constituents of the Operations Manual		The operations manual should contain a list of services provided, along with the processes, documentation etc. that would need to be followed by prospective users of the facility.
Request for Proposal Volume II 2.1.6 (b)that concessionaire is not in material default in the concession Agreement and agree to pay the Annual License Fee for the extended concession period	What would be the Annual License Fee for the extended period beyond 30 years		The Annual License Fee would be same as in First 30 years

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			<p>Whether any study has been done on the financial viability of the project in addition to the Project Information memorandum</p>		<p>The Bidders are advised to carry out their own surveys, investigations, enquires, studies and other detailed examination before submitting their Bids. The Mandi Board accepts no responsibility whatsoever for the information contained in Project Information Memorandum and the Project Information Memorandum does not confer any right on the Bidders, and the Mandi Board shall have no liability whatsoever in relation to or arising out of any or all contents and information contained in Project Information Memorandum.</p>
			<p>Response of the Mandi Board towards the Development of alternative Logistics Hub by other Operators in the same catchment area</p>		<p>Mandi Board would not be liable to private Developer what so ever for any alternative Logistics Hub by any operators or Organization/agencies/ Departments of Government Of Madhya Pradesh.</p>
			<p>Who will have the authority to fix the price for providing the services at the Logistics Hub-Pawarkheda, Mandi Board or the Selected Bidder?</p>		<p>Refer to Draft Concession Agreement clause 7.3</p>
			<p>What will be the assistance by the Mandi Board for laying and maintenance of approach road to the Logistics Hub – Pawarkheda</p>		<p>The site for the Logistics Hub is located on the Highway (refer to Project Information Memorandum). Mandi Board would not Provide any assistance other than those mentioned in the RFP</p>
			<p>Any Concession Amount to be provided by Mandi Board during development stage or any other Operational benefits?</p>		<p>Mandi Board would not Provide any assistance other than those mentioned in the RFP or Draft Concession Agreement.</p>

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			Project Information Memorandum (Pg. 6) - What kind of infrastructure/sub projects will MPWLC set up?		MPWLC and Mandi Board are examining the setting up of a modern mandi, warehousing for grain and agri storage and also consider providing land for food processing industry.
			Project Information Memorandum (Appendix 2 & 3)- Can a developer change the master plan/layout of the proposed facility?		Please refer to conditions 10 & 11 in schedule 5 of the DCA.
			Volume I RFP (Pg. 6)- Please provide the breakup of Project cost.		Please refer to appendix I to this response sheet for project wise block level cost estimates used for arriving at the figure of INR 138.53 crores.
			Is there any ceiling on the storage charges for the proposed facility?		Refer to Draft Concession Agreement section 7.3.
			Does Mandi Board and MPWLC any minimum occupancy?		Mandi Board or MPWLC would not provide any assistance other than those mentioned in the RFP or Draft Concession Agreement.
			Are all clearances for the proposed facility in place?		The Developer shall obtain all the necessary Applicable Approvals within 6 months from date of signing of the Concession Agreement. The Mandi Board, subject to compliance by the Developer of all conditions necessary for obtaining the Applicable Approvals, shall give reasonable assistance to the Developer for obtaining of the same as per need. However, primary responsibility to obtain any kind of permissions would rest on the Developer.

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			Who will undertake the maintenance of railway line?		Private Player will be responsible for the same.
			How many trains will service this facility every day?		The master plan envisages a three line rail siding. The number of trains that can be serviced will in turn depend on the cargo that can be attracted by the successful bidder who will operate the rail siding and ICD.
			Leasing charges are also to be pre approved by Mandi Board. For common utilities, pre-approval clause is mentioned but not for leasing.		As per RFP and Draft Concession Agreement , No Change
			Can the developer apply for any other government grant/subsidy.		Developer is Free to apply for any other government grant/subsidy in case applicable. However, Mandi Board would not be liable what so ever for any assistance other than those mentioned in the RFP and Draft Concession Agreement

Appendix (A)

				CAPITAL EXPENDITURE - INR CRORES		
Project	Facility	% Land	Land (acres)	Civil Construction	Equipment	Total Capital Expenditure
P1	Railway Terminal	14%	12.6	30.15	9.40	39.55
P2	Cold Storage	1%	1.25	47.25		47.25
P3	Warehouse	27%	24.1	7.50	7.58	15.08
Common	Common Facilities	29%	25.3	33.91	2.74	36.65
Future Exp	Future Expansion	28%	25.0			-
		100%	88.25	118.80	19.72	138.53