



VIJAYAWADA MUNICIPAL CORPORATION (VMC)

INVITATION FOR OFFLINE TENDER

**“Selection of Transaction Advisor for
Development of Amusement Items on Gandhi Hill
in Vijayawada through Private sector participation
(PPP Mode)” (2nd Call)**

Rc. CE- 107967/2023

**Issued by
Vijayawada Municipal Corporation**

Canal Road, Jawaharlal Nehru Buildings, Vijayawada, Andhra Pradesh
Pin Code – 520001.

INTRODUCTION

1. Project Background

Vijayawada Municipal Corporation, Vijayawada, Andhra Pradesh is desirous to develop Amusement Items on Gandhi Hill through Public Private Partnership (PPP) basis. It is felt that such a development shall be complementary to Gandhi Hill and shall provide an alternate attraction to the teeming visitors/ footfalls of the Gandhi Hill.

VMC proposes to identify a private partner for the development of the Amusement Items on Gandhi Hill, Vijayawada. VMC invites bids from interested Firm/Agency to provide Transaction Advisory Services to assess the market response and to submit the Business Plan to undertake the process of selection and appointment of “Developer cum Operator on PPP mode”.

The proposed project is to be implemented in Public Private Partnership (PPP) format. Under this format, the private sector shall be responsible for designing, financing, executing, operating, maintaining, and transferring the facility to VMC at the end of concession/authorization/lease period.

2. About Vijayawada

Vijayawada is a city on the banks of the Krishna River, in the Indian state of Andhra Pradesh. Vijayawada houses the district headquarters of NTR district. Vijayawada is one of the rapidly growing urban markets of the country. The sectors that contribute to the city economy are construction, education, entertainment, food processing, hospitality, registrations, transport, etc. Based on the recommendations of the Sixth Central Pay Commission, it is classified as one of the Y-grade cities of India.

Vijayawada Municipal Corporation is the civic governing body of the city with a population of 12,41,230. The jurisdictional area of the corporation is spread over an area of 61.88 km² (23.9 sq. mi) with 64 wards.

3. Site Features

3.1. Location

The Gandhi Hill (elevation 500 ft (150 m)) is a hill in Vijayawada, situated behind the Vijayawada railway station in the Tara pet area. A Gandhi Memorial, built on this hill, is the first in the country to have seven stupas. The hill is also popularly known by the name of Gandhi. The hill was formerly known as ORR hill.

4. SCOPE OF SERVICES:

The appointed consultant/ Transaction advisor shall undertake the following activities in a professional manner resulting in project feasibility through robust business plan, for selection of private partner through transparent and competitive bid process management. The details are as below.

a) Business Planning and Project Structuring

- a. Undertake inception meetings with the Client and key stakeholders to understand the project requirements in detail.
- b. Based on similar project experience, study the proposed project in detail and analyse the project contours.
- c. Undertake market survey through primary/ secondary sources, interact with the potential developers to assess the demand for the project and various project facilities.
- d. Discuss with the existing developers in the market to understand the occupancy levels of each of the proposed project facilities.
- e. Based on industry-based assumptions built over years, develop detailed Financial Model (FM) to analyse the financial viability of the project based on the Internal Rate of Return (IRR) in the model. The FM shall include estimated project cost, operational and maintenance expenditure, estimated revenue from various project facilities in addition to provision for interest repayment on debt, interest during construction, depreciation, taxation, sensitivity analysis as per client's requirement, etc.
- f. Present to the Client, possible alternative options on project structure, for undertaking the project development on PPP format. The options may include Concession or License format, with varied revenue sharing options vis-à-vis varied concession/ license periods. The project structure may contain clauses related to exclusive rights, right of first refusal, etc.
- g. Prepare Business Plan based on the above.

First Deliverable: Report on Business Plan

b) Bid Documentation

Drawing from the finalised project structure, preparation of bid documents shall be undertaken by the TA.

- a. It could be a single stage bid document 'Request for Proposal'. In such a case, the RFP shall contain necessarily four sections in reference to planning commission guidelines as defined below.

- i. **Instructions to Bidders (ITB):** ITB covering the project intro, brief description of bid process, bid structure including Minimum Development Obligations/ Essential Facilities (MDOs), eligibility and evaluation criteria, information on bid security, performance security, other bid rules in general, fraudulent and corrupt practices, data sheet containing the bid structure, etc.
 - ii. **Development Controls and Specifications:** This section essentially is to detail out the specifications of the MDOs, development regulations, guidelines for operations and maintenance of project facilities, as may be required.
 - iii. **Formats for Bid Submission:** This section contains all the predefined formats for submission of technical and financial bids.
 - iv. **Agreement Format:** The agreement format for execution between the Client/ Authority and the preferred bidder is provided in this section as draft. Provision for filling the details of LOA, performance security payments, Special Purpose Vehicle (SPV) details is provided. Rest of the agreement should not be deviated post bidding.
- b. In case of two stage bidding, Request for Qualification (RFQ) may be prepared for shortlisting of bidders based on eligibility and evaluation. RFP will follow the RFQ process, seeking financial bids limited to the shortlisted bidders.

Second Deliverable: Bid Documents (RFP/ RFQ/ EOI)

c) Bid Process Management

- a. The TA shall assist the Client in issuing Notice Inviting Tender (NIT) followed by issue of RFP/RFQ.
- b. This is the key stage of development process for a PPP project. At the first stage, the TA shall identify the potential/ prospective bidders, contractors, investors, High Net-worth Individuals/ Firms interested and/or experienced in developing similar projects. The TA shall undertake aggressive project marketing to attract the prospective bidders. This may include corporate meets, one to one presentation, etc. depending on the project nature and need.
- c. TA shall assist Client in Prebid meetings/ providing Prebid clarifications in response to the queries raised by prospective bidders.
- d. Assist in opening and evaluation of technical and financial bids in a sequential order and in a transparent manner. This includes inviting bidders or their representatives in advance, opening and recording the bid submissions in presence of bidders/ representatives, etc.
- e. Assist VMC in technical bid evaluation report, followed by financial evaluation report for approval of the preferred bidder by the Client.

Third Deliverable: Technical and Financial Evaluation Reports

d) Assistance in developer selection

At this stage, the consultant shall assist VMC in concluding contract between VMC and the Developer/ Licensee. This stage includes the following activities.

- a. Assist in concluding negotiations (technical and financial, if any) with the preferred bidder and support VMC in issue of 'Letter of Acceptance' to the preferred bidder. The LOA shall contain the preconditions with timelines for signing of agreement such as payment of Project Development Fee, Performance Security, formation of Special Purpose Vehicle (SPV), etc.
- b. Liaison with the preferred bidder for fulfilling the preconditions in the LOA and further assist in concluding agreement between VMC and the preferred bidder so that the preferred bidder can undertake the project implementation as per the contract.

Fourth Deliverable: Issue of Letter of Acceptance and contract execution between VMC and preferred bidder.

DELIVERABLES, TIMELINES AND PAYMENT SCHEDULE:

S. No.	Deliverable	Timeline	Payment Schedule (% of total professional fee plus GST)
1.	Submission of Business Plan (Report)	One week from Work Order Date	30%
2.	Submission of Request for Proposal/ Request for Qualification Document	One week from approval on Business Plan/ project structure	40%
3.	Submission of Technical and Financial Evaluation Reports	Technical Evaluation: One week from VMC Opening of Technical Bids Financial: Three days from VMC opening of Financial Bids	20%
4.	Issue of Letter of Acceptance to Preferred Bidder	Within a week from approval of bid evaluation report and Council/ Govt. Approvals, as may be required by VMC.	10%

5. ELIGIBILITY CRITERIA

The bids are limited to those individuals, firms, companies who meet the following qualification and the eligibility requirements and herein after referred to as bidder.

- a) The bidder should have a valid registration of Firm/Agency/Individual with the government of Andhra Pradesh/ Government of other states. Shall submit valid PAN, GST certificates.
- b) The Consultant firms should have experience in successfully assisting Govt/ Govt. Departments in selecting developers/ licensees through PPP mode in transparent and competitive bid processing.
- c) The bidder should have PPP experience with estimated project value of minimum **Rs.2.00 Crores** during the last 5 financial years.

6. BID SUBMISSION

The bidders are required to submit proposals as below.

Envelope A: Technical Cover – Shall contain the following documents.

- 1. Signed Covering Letter on the Letter head of the firm as per the format provided in the Annexure
- 2. Copy of Firm Registration
- 3. Copy of GST Registration
- 4. PAN of the Firm/Agency/Individual
- 5. Word Orders/ Experience Certificate towards proof of similar experience (issued from competent authority)
- 6. Documentary evidence towards similar experience of project value 2.00 Cr. in the last 5 years

Envelope A shall be superscribed “Technical Cover – Selection of Transaction Advisor for Development of Amusement Items on Gandhi Hill in Vijayawada on PPP Basis.

Envelope B: Financial Cover

Financial proposal form filled in all respects on the letter head of the firm, Signed, stamped, and sealed in Envelope B.

Outer Envelope: Shall contain both Envelope A and Envelope B

Outer Envelope containing sealed Envelope A and Envelope B shall be superscribed “Bid for Selection of Transaction Advisor for Development of Amusement Items on Gandhi Hill in Vijayawada on PPP Basis and shall be addressed to:

The Chief Engineer,
Vijayawada Municipal Corporation,
Jawaharlal Nehru Buildings,
Canal Road, One Town,
Vijayawada – 520001.

Interested Firms are invited to submit/email the proposal on or before 03-06-2023.

For any Queries- Email id: engineeringvmc@gmail.com, pmuvmc@gmail.com.

Due Date & Time for submission of Bid: 03.06.2023 till 4.00 PM.

7. SELECTION CRITERIA

Envelope A of the bidders shall be opened and evaluated in accordance with the Eligibility Criteria mentioned in this document. The financial covers (Envelope B) of those bidders that meet the eligibility criteria will only be considered for opening and further evaluation. Bidders that do not meet the eligibility criteria as per their submissions in Envelope A are disqualified from further evaluation of their proposals.

The bidder that quotes the lowest professional fee (including 18% GST) shall be the selection Consultant/ Transaction Advisor for providing advisory services for this project.

ANNEXURE-1
COVERING LETTER
(ON FIRM'S LETTER HEAD)

From

To
The Commissioner,
Municipal Corporation,
Vijayawada

Sir

Sub: - "Selection of Transaction Advisor for Development of Amusement Items on Gandhi Hill in Vijayawada through Private sector participation" (PPP Mode) (2nd Call).

I / We.....Consultant/consultancy firm/ organization herewith enclose Technical & Financial Proposal for selection of my/ our firm as consultant for "Selection of Transaction Advisor for Development of Amusement Items on Gandhi Hill in Vijayawada through Private sector participation (2nd Call)".

We undertake that, in competing for (and, if the award is made to us, in executing) the above contract, we will strictly observe the laws against fraud and corruption in force in India namely "Prevention of Corruption Act 1988."

Yours faithfully Signature.....

Full name

Address

Authorized Representative

APPENDIX-II
Fin 1 - Financial Proposal Covering Letter

(To be placed in the sealed cover containing financial proposal)

To,

**The
Commissioner,**

Municipal Corporation
VIJAYAWADA

Dear
Sir,

We, the undersigned, offer for “Selection of Transaction Advisor for Development of Amusement Items on Gandhi Hill in Vijayawada through Private sector participation in Vijayawada through Private sector participation. (PPP Mode)” **(2nd Call)** in accordance with your Request for Proposal [*Insert Date*] and our Technical Proposal. Our attached Financial Proposal is for the sum of [*Insert amount(s) in words and figures1*] is fee for the services to be provided. This amount is inclusive of Service Tax.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e., before the date indicated in document.

We understand that you are not bound to accept any Proposal you receive.

Thanking
you,
Sincerely,

Authorized Signature [In
full]: Name and Title of
Signatory: Name of Firm:

Fin 2- Summary of Costs

S.N.	Details	Fees	
		Rs. (In figures)	Rs. (In words)
1	“Selection of Transaction Advisor for Development of Amusement Items on Gandhi Hill in Vijayawada through Private sector participation”. (PPP Mode) (2 nd Call)		
2	Service tax (18% GST)		
3	Project Development Fee (Shall be paid by the selected Developer to ‘Selected Transaction Advisor’, upon issue of ‘Letter of Acceptance’ to the Developer.)		
	Total fees		

Note: -

For evaluation purpose, the financial proposal shall be submitted with the technical proposal in separate envelope.