

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

**Addendum to RFP and Project Development Agreement**

| Sl. No. | Ref. Clause | Original Clause   | Modified Clause  |
|---------|-------------|---|--|
| 1.      | 1.2.7       | <p>Bids are invited for the Project comprising the (i) premium that the Bidder offers to pay to the Authority in the form of lump sum payments (the “<b>Premium</b>”) and (ii) the financial grant (the “<b>Grant</b>”) sought by the Bidder from the Authority to implement the Project. The Final Bid Value arrived in accordance with Clause 3.12 based on the Premium and Grant so submitted by the Bidder as per the format specified in Appendix V shall constitute the sole criteria for evaluation of Bids. Subject to Clause 2.16, the Project shall be awarded to the Bidder whose bid results in the highest Final Bid Value. The agreement period is pre-determined, as indicated in the draft Project Development Agreement forming part of the Bidding Documents</p> <p>In this RFP, the term “<b>Highest Bidder</b>” shall mean the Bidder who gets the highest Final Bid Value.</p> | <p>Bids are invited for the Project comprising the (i) premium that the Bidder offers to pay to the Authority in the form of lump sum payments (the “<b>Premium</b>”) (ii) <b>the year from which the payment of Premium would commence from the Effective Date and</b> (iii) the financial grant (the “<b>Grant</b>”) sought by the Bidder from the Authority to implement the Project. The Final Bid Value arrived in accordance with Clause 3.12 based on the <b>Premium, year of its commencement and Grant so submitted</b> by the Bidder as per the format specified in Appendix V <b>which</b> shall constitute the sole criteria for evaluation of Bids. Subject to Clause 2.16, the Project shall be awarded to the Bidder whose bid results in the highest Final Bid Value. The agreement period is pre-determined, as indicated in the draft Project Development Agreement forming part of the Bidding Documents</p> <p>In this RFP, the term “<b>Highest Bidder</b>” shall mean the Bidder who gets the highest Final Bid Value.</p> |
| 2.      | 2.1.6       | <p>The Financial Bid shall consist of a Premium and/or a Grant, as the case may be, to be quoted by the Bidder. The Premium shall be payable by the Developer to the Authority and the Grant shall be payable by the Authority to the Developer, as the case may be, as per the terms and conditions of this RFP and the provisions of the Project Development Agreement.</p>   | <p>The Financial Bid shall consist of <b>a Premium along with the year of its commencement and/or a Grant, as the case may be</b>, to be quoted by the Bidder. The Premium shall be payable by the Developer to the Authority and the Grant shall be payable by the Authority to the Developer, as the case may be, as per the terms and conditions of this RFP and the provisions of the Project Development Agreement.</p>   |
| 3.      | 2.15.1      | <p>The Bid submission shall be made in the manner as set out in</p>   | <p>The Bid submission shall be made in the manner as set out in</p>  |

| Sl. No. | Ref. Clause | Original Clause  | Modified Clause  |
|---------|-------------|--|--|
|         |             | Clause 2.12. The Financial Bid shall consist of a Grant and Premium, to be quoted by the Bidder. The Bidder shall specify (in Indian Rupees) the Grant and Premium, required by him or offered by him, as the case may be, to undertake the Project in accordance with this RFP and the provisions of the Project Development Agreement. The Project will be awarded to the Highest Bidder.  | Clause 2.12. The Financial Bid shall consist of a Grant, Premium and <b>year of commencement of premium payment</b> , to be quoted by the Bidder. The Bidder shall specify (in Indian Rupees) the Grant and Premium, required by him or offered by him, as the case may be, to undertake the Project in accordance with this RFP and the provisions of the Project Development Agreement. The Project will be awarded to the Highest Bidder.   |
| 4.      | 3.9.2       | In the event that two or more Bidders get same Final Bid Value (the " <b>Tie Bidders</b> "), the bidder who has quoted the lowest Grant shall be identified as Selected Bidder. In a situation, where the Grant quoted is also equal among the Tie Bidders, then, the Authority shall identify the Selected Bidder by draw of lots, which shall be conducted, with prior notice, in the presence of the Tie Bidders who choose to attend.  | In the event that two or more Bidders get same Final Bid Value (the " <b>Tie Bidders</b> "), the bidder who has quoted the lowest Grant shall be identified as Selected Bidder. In a situation, where the Grant quoted is also equal among the Tie Bidders, then, <b>the bidder who has offered to commence the payment of Premium earlier shall be identified as the Selected Bidder. Where all the components forming part of the Financial Bid is same</b> , the Authority shall identify the Selected Bidder by draw of lots, which shall be conducted, with prior notice, in the presence of the Tie Bidders who choose to attend.            |
| 5.      | 3.11.1      | The Financial Bid shall comprise a Premium, Grant and Final Bid Value to be quoted by the Bidder in accordance with this RFP. The Bidder shall submit Final Bid Value in the E-Procurement Website in the slot provided under Financial Bid separately for each Location. Further, in its hard copy submission to the Authority as per Clause 2.12, the Technically Qualified Bidders shall submit Financial Bid as per the format specified in Appendix V quoting the Grant, Premium and Final Bid Value in accordance with the provisions of Clause 3.11.2 and 3.12. | The Financial Bid shall comprise a Premium, <b>the year in which the Premium shall commence and the Grant</b> to be quoted by the Bidder in accordance with this RFP. The Bidder shall submit Final Bid Value in the E-Procurement Website in the slot provided under Financial Bid separately for each Location. Further, in its hard copy submission to the Authority as per Clause 2.12, the Technically Qualified Bidders shall submit Financial Bid as per the format specified in Appendix V quoting the Grant, Premium and <b>its year of commencement</b> and Final Bid Value in accordance with the provisions of Clause 3.11.2 and 3.12. |
| 6.      | Clause      | A Bidder shall offer the Premium in the form of lumpsum payment  | A Bidder shall offer the Premium in the form of lumpsum payment  |

| Sl. No. | Ref. Clause            | Original Clause  | Modified Clause   |
|---------|------------------------|--|---|
|         | 3.11.2 (a) of RFP      | commencing from the second anniversary of the Effective Date as defined in the Project Development Agreement. The Premium shall be escalated by 1% during each subsequent year, in accordance with the provisions of Clause 3.2 of the Project Development Agreement.  | <b>and also specify the year from which the payment of Premium would commence</b> from the Effective Date as defined in the Project Development Agreement. The Premium shall be escalated by 1% during each subsequent year, in accordance with the provisions of Clause 3.2 of the Project Development Agreement.  |
| 7.      | Appendix V             | As provided in the original RFP document   | <b>Modified as provided in Schedule I.</b>  |
| 8.      | Appendix VIII          | As provided in the original RFP document   | <b>Modified as provided in Schedule II.</b>   |
| 9.      | Clause 3.2 of the PDIA | The Parties agree that, [NAME OF THE SPV] shall, in consideration of recognition of rights pursuant to Article 3.1 pay Premium to the Authority of an amount of Rs _____ /- (Rupees _____ only) per annum payable effective from the second anniversary of the Effective Date and the same shall be increased by one Percent (1%) every year during the remaining Term of this Agreement. The first payment in this regard shall be made on commencement of third anniversary of the Effective Date and the subsequent payment shall be made on annual basis thereafter during the term of this Agreement within the first week of the succeeding years. Any delay in the payment of Premium by [NAME OF THE SPV] shall attract the interest as set out in Clause 22.15. | The Parties agree that, [NAME OF THE SPV] shall, in consideration of recognition of rights pursuant to Article 3.1 pay Premium to the Authority of an amount of Rs _____ /- (Rupees _____ only) per annum payable <b>effective from the _____ anniversary</b> of the Effective Date and the same shall be increased by one Percent (1%) every year during the remaining Term of this Agreement. The first payment in this regard shall be made on commencement of _____ <b>anniversary</b> of the Effective Date and the subsequent payment shall be made on annual basis thereafter during the term of this Agreement within the first week of the succeeding years. Any delay in the payment of Premium by [NAME OF THE SPV] shall attract the interest as set out in Clause 22.15. |

Schedule I

**APPENDIX V**

**Financial Bid**

Date:

Managing Director  
Karnataka State Industrial and Infrastructure Development Corporation Limited  
Khaniya Bhavan, 4th Floor, East Wing,  
49, Race Course Road,  
Bangalore - 560001

Sir,

Sub: Integrated Development of No Frill Airstrip at Chikkamagaluru on Design, Finance, Build, Operate, and Transfer (DFBOT) Framework

We hereby submit the following bid for undertaking the aforesaid project in accordance with Bidding Document and Project Development Agreement

- (a) I/ we require a Grant of Rs. .... and
- (b) I/we offer a Premium of Rs.....commencing from the \_\_\_\_\_ anniversary of the Effective Date as defined in the Project Development Agreement.

We hereby submit that, the Final Bid Value arrived by us is Rs. ...., which is calculated as per the illustration provided in Appendix VIII of the RFP document. We further agree that the Final Bid Value is subject to mathematical corrections by the Authority based on the Grant (a) and Premium and the year of its commencement (b) quoted by us.

We have reviewed all the terms and conditions of the RFP and undertake to abide by all the terms and conditions contained therein. We hereby declare that there are, and shall be no deviations from the stated terms in the RFP Document.

Yours faithfully,

For and on behalf of

.....  
(Name of the Bidder<sup>1</sup>)

\_\_\_\_\_  
(Signature of Authorized Signatory)

\_\_\_\_\_

<sup>1</sup> In case of Consortium, names of all members of Consortium

(Name and designation of the Authorised Person)

**Note\***

The Bidder shall inter-alia take into account the following while preparing and submitting the Financial Bid:-

- (a) Bidder shall quote the Grant amount in Indian Rupee which shall not exceed the Estimated Project Cost of each Location.
- (b) For arriving at the Final Bid Value, the Premium quoted shall be further escalated by 1% (One percent) year on year basis.
- (c) Final Bid Value shall be calculated by the Bidder in accordance with the illustration provided in Appendix VIII.
- (d) The Final Bid Value calculated by the Bidder shall be submitted through E-Procurement mode and the same shall be specified in the hard copy of Appendix V to the Authority.

**Schedule II**

**APPENDIX VIII  
(Refer Clause 3.12)**

The below is an illustration of calculation of NPV (Net Present Value) of Grant, Premium and its year of commencement as the bidder shall quote in Appendix V of the Financial Bid. The sum of NPV of Grant and NPV of Premium shall be computed considering the year of commencement of Premium quoted by the Bidder for the purpose of evaluation of bids and the bidder whose financial bid results in highest NPV, among the shortlisted bidders, shall be considered as the selected bidder subject to the provisions of the Bid Documents.

|   |   |
|---|---|
| Grant Quoted (in Rs. Lakhs)   | 350   |
| Premium Offered (in Rs. Lakhs)  | 50  |
| Year of commencement of Premium payment                                       | 2 <sup>nd</sup> anniversary of Effective Date |
| Escalation of Premium from 3 <sup>rd</sup> anniversary onwards (year-on-year) | 1% per annum                                  |
| Bid Opening Date  | May 2019                                      |
| Agreement Signing Date  | June 2019                                     |
| Effective Date  | December 2019                                 |

*Amount in Rs. Lakhs*

| Parameter | Anniversary from Effective Date |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |  |  |
|-----------|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|--|
|           | 1 <sup>st</sup>                 | 2 <sup>nd</sup> | 3 <sup>rd</sup> | 4 <sup>th</sup> | 5 <sup>th</sup> | 6 <sup>th</sup> | 7 <sup>th</sup> | 8 <sup>th</sup> | 9 <sup>th</sup> | 10 <sup>th</sup> | 11 <sup>th</sup> | 12 <sup>th</sup> | 13 <sup>th</sup> | 14 <sup>th</sup> | 15 <sup>th</sup> | 16 <sup>th</sup> | 17 <sup>th</sup> | 18 <sup>th</sup> | 19 <sup>th</sup> | 20 <sup>th</sup> | 21 <sup>st</sup> | 22 <sup>nd</sup> | 23 <sup>rd</sup> | 24 <sup>th</sup> | 25 <sup>th</sup> | 26 <sup>th</sup> | 27 <sup>th</sup> | 28 <sup>th</sup> | 29 <sup>th</sup> | 30 <sup>th</sup> |  |  |
|           |                                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |  |  |

|                |      |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
|----------------|------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| <b>Grant</b>   | -350 | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  |    |    |
| <b>Premium</b> | 0    | 50 | 51 | 51 | 52 | 52 | 53 | 53 | 54 | 54 | 55 | 55 | 56 | 56 | 57 | 57 | 58 | 59 | 59 | 60 | 60 | 61 | 62 | 62 | 63 | 63 | 64 | 65 | 65 | 66 |

|  |             |
|--|-------------|
| Discount Rate per annum                                      | 8%          |
| NPV of Grant as on Bid Opening Date (Rs. Lakhs) - <b>A</b>   | -310        |
| NPV of Premium as on Bid Opening Date (Rs. Lakhs) - <b>B</b> | 542         |
| <b>Final Bid Value in Rs. Lakhs – (A+B)</b>                  | <b>+232</b> |