

Subject No. 145

Sub:- VUDA – Visakhapatnam – PMU wing – Development of Commercial Complex with IT space and Convention center with guest rooms at Gandhi Place, Siripuram Jn., Visakhapatnam for Design, Develop, Finance, Built, Operate, Maintain and Transfer Basis (BOT Basis in PPP Mode) – Ratification – Reg.

### **Agenda Note:**

The VUDA Board in its Resolution No. 122, dated 31.5.2006 has resolved to approve the proposal of construction of the proposed Commercial Complex in Gandhi Place, Visakhapatnam duly calling the EOI afresh. Accordingly, notification was issued on 9.6.2006 in Hindu, Eenadu, Economic Times and Deccan Chronicle calling EOI from private partners for Design, Develop, Finance, Built, Operate, Maintain and Transfer Basis (BOT Basis for a period of 33 years in PPP Mode) for the proposed Commercial Complex with IT Space and Convention Center with Guest Rooms.

In response to the notification 17 Nos of EOI applications were received from the reputed firms on payment of Rs.5,000/- each towards cost of the application. Out of the 17 firms, 16 firms have been qualified after scrutiny of the Bid Processing evaluated by Consultants, M/s. APITCO Ltd., Hyderabad, who was appointed as Consultants of the said project. The following are the qualified firms for the project:

#### Commercial Complex - Gandhi Place

Sl. No.	Name of the Firm
1.	<b>M/s. Varsha Builders Private Limited</b> , Visakhapatnam
2.	<b>M/s. Vaibhav Empire Pvt., Ltd.</b> , Visakhapatnam
3.	<b>M/s. VISU International Ltd.</b> , Hyderabad
4.	<b>M/s. Indo- African Industries Pvt., Ltd.</b> , Hyderabad
5.	<b>M/s. Manjeera Construction Ltd.</b> , Hyderabad.
6.	<b>M/s. Sri Srinivasa Homes</b> , Visakhapatnam
7.	<b>M/s. MRKR-DSR Construction J.V</b> , Hyderabad
8.	<b>M/s. Starnet Online Services Ltd.</b> , Visakhapatnam
9.	<b>M/s. Sainath Estate Private Limited</b> , Hyderabad
10.	<b>M/s. SBPL Infrastructure Ltd.</b> , Hyderabad
11.	<b>M/s. Nagarjuna Construction Company Ltd.</b> , Hyderabad
12.	<b>M/s. Negolice India Ltd.</b> , New Delhi.
13.	<b>M/s. Prathusha Associates Shipping Pvt., Ltd.</b> , Visakhapatnam
14.	<b>M/s. Salarpuria Properties Pvt., Ltd.</b> , Bangalore
15.	<b>M/s. Vinayagar Promoters &amp; Builders</b> , Visakhapatnam
16.	<b>M/s. Kanakamahalakshmi enterprises</b> , Visakhapatnam



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Out of the above 16 qualified firms, 13 firms have purchased RFP Documents on payment of Rs.25,000/- each to VUDA towards cost of the RFP Document. The following are the details:

Sl. No.	Name of the Firm
1.	<b>M/s. Varsha Builders Private Limited</b> , Visakhapatnam
2.	<b>M/s. Vaibhav Empire Pvt., Ltd.</b> , Visakhapatnam
3.	<b>M/s. Indo- African Industries Pvt., Ltd.</b> , Hyderabad
4.	<b>M/s. Manjeera Construction Ltd.</b> , Hyderabad.
5.	<b>M/s. Sri Srinivasa Homes</b> , Visakhapatnam
6.	<b>M/s. MRKR-DSR Construction J.V</b> , Hyderabad
7.	<b>M/s. Sainath Estate Private Limited</b> , Hyderabad
8.	<b>M/s. SBPL Infrastructure Ltd.</b> , Hyderabad
9.	<b>M/s. Nagarjuna Construction Company Ltd.</b> , Hyderabad
10.	<b>M/s. Prathusha Associates Shipping Pvt., Ltd.</b> , Visakhapatnam
11.	<b>M/s. Salarpuria Properties Pvt., Ltd.</b> , Bangalore
12.	<b>M/s. Vinayagar Promoters &amp; Builders</b> , Visakhapatnam
13.	<b>M/s. Kanakamahalakshmi enterprises</b> , Visakhapatnam

The last date for submission of the bids along with Technical Proposals (Cover-I), Business Proposals (Cover-II) and Commercial Offer (Cover-III) is 5.10.2006.

In response to the above, five firms have furnished their proposals along with a DD of Rs. 50,000/- each to VUDA towards Non-Refundable amount. The following are the firms participated in the bids:

Sl. No.	Name of the Firm
1.	<b>M/s. Vaibhav Empire Pvt. Ltd.</b> , Visakhapatnam
2.	<b>M/s. Indo- African Industries Pvt., Ltd.</b> , Hyderabad
3.	<b>M/s. SBPL Infrastructure Ltd.</b> , Hyderabad
4.	<b>M/s. Nagarjuna Construction Company Ltd.</b> , Hyderabad
5.	<b>M/s. Vinayagar Promoters &amp; Builders</b> , Visakhapatnam

In response to the above five firms the following three firms have been selected by the Screening Committee for the Business Proposals (Cover-II) and Power Point Presentation on 19.10.2006 & 20.10.2006 duly disqualifying the firms **M/s. Indo- African Industries Pvt., Ltd.**, Hyderabad and **M/s. SBPL Infrastructure Ltd.**, Hyderabad since the said firms failed in the evaluation.



Sl. No.	Name of the Firm
1.	M/s. Vaibhav Empire Pvt. Ltd., Visakhapatnam
2.	M/s. Nagarjuna Construction Company Ltd., Hyderabad
3.	M/s. Vinayagar Promoters & Builders, Visakhapatnam

The following firms furnished their Commercial Offer (Cover-III) 24.10.2006 as per the evaluation report furnished by M/s. APITCO Lt Hyderabad dated 7.11.2006

I. Project details

- |                                 |  |
|---------------------------------|--|
| a. Nature of the Project        | : Commercial Complex   |
| b. Project Cost Proposal        | : Rs. 20.00 Crs  |
| c. Extent of Land               | : 6540 Sq. Yards + 550 Sq. Yards                                       |
| d. Time Schedule for Completion | : 18 months  |
| e. Lease Period                 | : 33 Years   |
| f. Suggested Activities         | : Shopping Mall With IT Space and Conventional Centre with Guest Rooms |

II. Qualified Bidding Entities from Cover-I & II Evaluation

1. M/s. Vinayagar Promoters and Builders
2. M/s. Nagarjuna Construction Company Ltd.,
3. M/s. Vibhav Empires Pvt. Ltd.

III. Project Cost Offered by the Bidders:

S.No.	Bidders	Project
1	Vinayagar Promoters & Builders	Rs. 21,00,00,000
2	Nagarjuna Construction Company Ltd.	Rs. 20,00,00,000
3	Vaibhav Empire Pvt. Ltd.	Rs. 20,05,00,000

IV. Revenues offered by the Bidders:

S. No	Project Component	Vinayagar Promoters & Builders		Nagarjuna Construction Company Ltd.		Vaibhav Empire Pvt. Ltd.	
		Revenues Offered for 33 Years (Rs.)	NPV@12% per annum for 33 Years. (Rs.)	Revenues Offered for 33 Years (Rs.)	NPV@12% per annum for 33 Years (Rs.)	Revenues Offered for 33 Years (Rs.)	NPV@12% per annum for 33 Years. (Rs.)
1.	Project Development Fee	21,00,000	21,00,000	20,00,000	20,00,000	20,05,000	20,05,000
2.	Lease Rentals for 33 years	56,76,52,141	9,99,56,012	56,76,52,141	9,99,56,012	56,76,52,141	9,99,56,012
3.	Additional Development Premium for 33 years (from 4 <sup>th</sup> year onwards)	61,52,24,000	9,02,44,498	47,82,65,000	7,01,70,257	80,36,72,059	10,88,25,47
I.	<b>TOTAL REVENUE</b>	<b>1,18,49,76,141</b>	<b>19,23,00,510</b>	<b>1,04,79,17,141</b>	<b>17,21,26,269</b>	<b>1,37,33,29,200</b>	<b>21,07,86,4</b>



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Out of the above financial offers, the offer of M/s. Vaibhav Empire Pvt. Ltd. is the highest at Rs.20,05,000 + Rs. 56,76,52,141 + Rs.80,36,72,059 = Rs. 1,37,33,29,200 towards project Development Fees, Lease Rent for 33 years and Additional Development Premium for 33 years (from 4<sup>th</sup> year onwards). The following are the details of the Revenues offered by M/s. Vaibhav Empire Pvt. Ltd., Visakhapatnam.

Part-A – Land Lease Rentals computed for 33 years @ 5% escalation per annum:

Year	Lease Amount (5% of Land Value with 5% Escalation Per Annum) (Rs. In Lakhs)
1	70,90,000
2	74,44,500
3	78,16,725
4	82,07,561
5	86,17,939
6	90,48,836
7	95,01,278
8	99,76,342
9	1,04,75,159
10	1,09,98,917
11	1,15,48,863
12	1,21,26,306
13	1,27,32,621
14	1,33,69,252
15	1,40,37,715
16	1,47,39,601
17	1,54,76,581
18	1,62,50,410
19	1,70,62,930
20	1,79,16,077
21	1,88,11,881
22	1,97,52,475
23	2,07,40,099
24	2,17,77,104
25	2,28,65,959
26	2,40,09,257
27	2,52,09,720
28	2,64,70,206
29	2,77,93,716
30	2,91,83,402
31	3,06,42,572
32	3,21,74,701
33	3,37,83,436
<b>Total</b>	<b>56,76,52,141</b>



The additional development premium proposed by M/s. Vibhav Empires Pvt. Ltd. as detailed.

PART B - The Additional Development Premium payable by M/S. Vaibhav Empire Pvt. Ltd. to VUDA is as given in Col.2 below or 3% of Gross Receipts whichever is higher.			
1	2	3	4
Year	ADP to be quoted by the bidder subject to a minimum as given in Column 3 or 4 which ever is higher (Amount in Rs.)	Minimum ADP in Absolute Terms. (Rs in Lakhs)	Minimum ADP in Percentage Terms
	Absolute Terms (In Lakhs)		
1.	-	Construction Period	Waiver
2.	-	Construction & Commissioning Period	Waiver
3.	-	Consolidation Period	Waiver
4.	10600000	20 lakhs / annum	3 % of Gross Revenue
5.	11130000	105% of year 4 ADP	Do as above
	11686500	105% of year 5 ADP	Do as above
	12270825	105% of year 6 ADP	Do as above
8.	12884366	105% of year 7 ADP	Do as above
9.	13528585	105% of year 8 ADP	Do as above
10.	14205014	105% of year 9 ADP	Do as above
11.	14915264	105% of year 10 ADP	Do as above
12.	15810180	106% of year 11 ADP	Do as above
13.	16758791	106% of year 12 ADP	Do as above
14.	17764319	106% of year 13 ADP	Do as above
15.	18830178	106% of year 14 ADP	Do as above
16.	19959988	106% of year 15 ADP	Do as above
17.	21157588	106% of year 16 ADP	Do as above
18.	22427043	106% of year 17 ADP	Do as above
19.	23772666	106% of year 18 ADP	Do as above
20.	25199026	106% of year 19 ADP	Do as above
21.	26710967	106% of year 20 ADP	Do as above
22.	28313625	106% of year 21 ADP	Do as above
23.	30012443	106% of year 22 ADP	Do as above
24.	31813189	106% of year 23 ADP	Do as above
25.	33721980	106% of year 24 ADP	Do as above
26.	36082519	107% of year 25 ADP	Do as above
27.	38608295	107% of year 26 ADP	Do as above
28.	41310876	107% of year 27 ADP	Do as above
29.	44202637	107% of year 28 ADP	Do as above
30.	47296822	107% of year 29 ADP	Do as above
31.	50607600	107% of year 30 ADP	Do as above
32.	54150132	107% of year 31 ADP	Do as above
33.	57940641	107% of year 32 ADP	Do as above
<b>Total</b>	<b>80,36,72,059</b>		

The highest financial quoted offer by M/s. Vaibhav Empire Pvt. Ltd. has passed the evaluations of Technical, Business and Commercial Proposals (Cover I, II & III) and emerged as highest successful bidder for the development of Commercial Complex with IT space and Convention center with guest rooms at Gandhi Place, Siripuram Jn., Visakhapatnam for Design, Develop, Finance, Built, Operate, Maintain and Transfer Basis (BOT Basis for a period of 33 years in PPP Mode) on payment of Rs.1,37,33,29,200 as members of the Consortium and their equity holding as per the submissions in RFP Document.

1. M/s. Vaibhava Empire Pvt. Ltd.,	: 52%
2. M/s. Ambika Agarbathis & Aroma Industries Ltd.,	: 27%
3. M/s. Pavan Builders	: 16%
4. M/s. Vaibhav Jewelers, Eluru	: 5%

A non-refundable project development fee of Rs.21,00,000 payable by the firm at the time of signing of the agreement. A Bank Guarantee for Rs.50,12,500/- (2.5% of the Project cost) to be submitted within 15 days from the date of Letter of Award.

A "Letter Of Award" in favour of M/s. Vaibhav Empire Pvt., Ltd. Visakhapatnam has been issued to accept the proposals with in 7 days vide this office letter dated 8.11.2006.

Therefore the matter is placed before the VUDA Board for ratification for the letter of award issued in favour of M/s. Vaibhav Empire Pvt., Ltd., Visakhapatnam for the development of Commercial Complex with IT space and Convention center with guest rooms at Gandhi Place, Siripuram Jn., Visakhapatnam for Design, Develop, Finance, Built, Operate, Maintain and Transfer Basis (BOT Basis for a period of 33 years in PPP Mode) at an extent of 6540 Sq yards + 550 Sq. yards.



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VUDA R.No. 145 dated: 18-12-2006

Resolved to ratify the action for the letter of award issued in favour of M/s Vaibhav Empire Pvt. Ltd., Visakhapatnam for the development of Commercial Complex with IT Space and convention centre with Guest rooms at Gandhi Place, Siripuram Junction, Visakhapatnam for design, develop, finance, built, operate, maintain and transfer basis.

  
Chairman, VUDA