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CORRIGENDUM - 4

To RFP Letter No 43525, Dated 22.04.2021, Request for Proposal for Leasing-Cum Development/ Upgradation, Operation & Management of Tourism Properties of Department of Tourism, Odisha

Clarifications/ Modifications to Request for Request for Proposal for Leasing-Cum Development/ Upgradation, Operation & Management of Tourism Properties of Department of Tourism, Odisha are in Annexure 1


Deputy Secretary to Govt.

Annexure-I

PRE- BID CLARIFICATIONS

RFP no. 4146: Request for Proposal for Leasing-Cum Development/ Upgradation, Operation & Management of Tourism Properties Of Department Of Tourism, Odisha
Response to the queries sought by the applicants during the pre-bid meeting held on 19 April 2021 at 12 Noon.

Sl.	Ref. Clause as per RFP	Description as per RFP	Queries raised by the Applicants	Clarifications/ Amendment in response to the queries
1.	1.3	DoT has selected 7 properties/ accommodation units in various locations across the State for development/ upgradation, augmentation, operation and maintenance through Public Private Partnership. All the properties, as stated below, are operational on the date of issuance of this RFP. The Lessee shall be handed over the movable and immovable assets at the respective properties on "as is where is" basis (Project Assets").	As per the Clause 1.3 "All the properties, as stated below, are operational" we had visited the site the hotel is not operational, can we understand what is operational in B N Palace?	BN Palace property is not operational. For details on operational and non-operational status of properties, please refer the corrigenda issued for the same.
			As per the part 1 clause 1.3 For BN Place it has stated there are 30 room currently exist, which need to be checked and verified. Can I get the floor plan of B N Palace?	For available property related details, please visit the link https://drive.google.com/drive/folders/1Zzt969bkFSSSdh3Aa7C0SLqGn57YKwjin Bidders are advised to visit the property and make own assessment
2.	2.1.2.	For BN Palace, the lessee shall develop the Palace into a Heritage Hotel without compromising the heritage nature of the property and in compliance with the norms specified in Guidelines for Classification of Heritage Hotels issued by Ministry of Tourism, Govt. of India. The construction of any new component shall be in compliance with the prevailing by-laws and other regulatory frameworks being stipulated by various governing authorities and development authorities from time to time over the construction phase/ Minimum Development Obligation Period. All planning, designing and other interventions shall be done with prior approval from DoT or a DoT appointed committee.	As per the clause 2.1.2, Can I get the compliance norms specified in Guidelines for Classification of Heritage Hotels issued by Ministry of Tourism, Govt Of India?	Guidelines can be accessed from official website of Ministry of Tourism, Government of India
			After evaluating the TRC property and the existing building in the same and planning the New 4 star Hotel concept, it requires complete demolition of the same. How it effect the evaluation of the cost for state Govt who has already invested in the same while allocating the same to a new developer?	Please refer RFP Section 2 -Scope of Work
			In case of complete demolition and redevelopment, what are the permissible heights for all the properties? This information is vital for us to prepare our technical and financial bid	FSI regulations as applicable
			As per the clause 2.1.2, Can I get the list of heritage objects present in B N Palace	As per clause no 1.3 "The Lessee shall be handed over the movable and immovable assets (Project Assets)" at the respective properties on "as is where is" basis
			As per the clause 2.1.2, Can I build new infrastructure in other parts of the property (B N Palace).	Please refer Scope of Work, Section 2, clause no. 2.1.1, 2.1.2, and 2.1.3. Any new construction is permitted as per the conditions outlined in clause 2.1.2
3.	2.1.3	Lessee shall obtain and maintain all applicable permits, in conformity with the applicable laws and in compliance therewith	To add leisure services, what should be the ideal way of getting liquor license? Shall the lessee require to obtain fresh liquor license from the concern department and to what extent DOT can support the lessee in obtaining liquor license to operate a resto bar?	Lessee shall obtain requisite permits from concerned authorities. Lessee may use the Agreement for obtaining the same. Refer applicable clauses under LDA Section 1.12
4.	2.1.4	Lessee shall co-brand the property along with Odisha Tourism. The final branding of the property shall be	Co-branding definitely means inclusion of DOT's brand but is it necessary to keep the existing name of the properties or they can be co-branded afresh with a new name! Precisely would the lessee be	Lessee shall co-brand the property along with Odisha Tourism. The final branding of the property shall be approved by DoT as per clause no 2.1.4

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		approved by DoT.	required to have 'Pantha Nivas or Yatri Nivas' in the brand name?	
5.	2.1.20	During the Lease Period, the Lessee has to improve the Property, Project Assets and Project Facilities. Lessee shall provide improved hospitality/ tourism services such as: a. Increase/ provide well furnished Rooms/ Keys based on the market demand notwithstanding the requirements under Minimum Development Obligation	Minimum Development/ Up gradation Obligation scope limited to the list of activity mentioned in the tender	The Minimum Development Obligations are bare minimum requirements to be fulfilled by the preferred bidder applicable for all the properties. For the below properties <ul style="list-style-type: none"> • Yatrivas Satapada • TRC Jharsuguda • Yatrivas Konark (part) • BN Palace Paralakhemundi Bidders shall include their conceptual and development plans in the presentation. For further details please refer clause 5.2.3.
6.	2.1.3	Lessee shall obtain and maintain all applicable permits, in conformity with the applicable laws and in compliance therewith.	Will government assist in acquiring approvals?	While the onus of obtaining the necessary approvals lies with the successful bidder, Department of Tourism will assist and facilitate the successful bidders in obtaining the same.
7.	2.2.2	Shall provide incentives as per applicable Tourism Policy for capital investments made over and above that prescribed in the Minimum Development Obligation, upon application through the single window. The definition of 'Expansion Project' in the Tourism Policy shall be applicable.	Clarification on Subsidy under the category- "Expansion Project	Refer Section 7.7 of Odisha Tourism Policy, 2016 and its amendments.
8.	2.3.2	The Lease Period can further be extended by another 30 years subject to mutual agreement between DoT and Lessee. Six months prior to the end of the Lease Period (30 years), the Lessee and DoT may mutually agree to extend the lease period by another 30 years.	We recommend the tenure to be for at least 90 years	RFP conditions to prevail.
9.	2.3.2	The Lease Period can further be extended by another 30 years subject to mutual agreement between DoT and Lessee. Six months prior to the end of the Lease Period (30 years), the Lessee and DoT may mutually	Upon expiry of 30 years lease period, if the bidder is not interested for the renewal of the same then in that case what will be status of investment made by bidder? How govt. will consider the case and deal with it? A 4 star Hotel property needs a long term payback policy with the	Lessee in case not interested to renew the lease, shall transfer the property, without any encumbrances and lien to DoT as per terms and conditions of LDA clause 1.12.19 of this RFP.

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		agree to extend the lease period by another 30 years. Lessee will not be required to pay any additional premium for such extension. Only, the rate of biennial escalation in the Annual Lease Rental shall be negotiated for the additional lease period.	regular up gradation cost in phased manner and in that scenario is the DOT will consider allocating the TRC property for longer term then 30 years in the first agreement itself. TRC property is already developed in 3 acres of land while a 4 Star property needs more than 3 acres of land seeing the different services to be offered in the same along with lot of greenery. Is DoT is flexible enough to provide additional land to the existing land area if found justified?	On lease period, please refer RFP section 1.6.3 Additional land is not in the scope of the current RFP.
10.	2.4	Upfront Payment ("Upfront Fee") and Annual Lease Rental	As per the clause 5.4.4 and 2.4, Upfront fee payment duration could be modified from two years and 3 instalments to higher year and more instalments? As per the clause 5.4.4 and 2.4 Annual fee percentage of Upfront modified from 10% to lower percentage due to COVID and service industry viability and other option is revenue sharing on annual basis. As per the clause 5.4.4, After the payment of upfront fee would that be returned after the completion of lease.	RFP Conditions to prevail.
11.	2.41	Highest Upfront Payment to the Lessor shall be the financial bid parameter for award of the Rights of Development, Augmentation, Upgradation, Operation & Maintenance of the Project. Upfront Payment shall be payable to the Lessor by the Lessee as per Clause 5.4.4 of the RFP. GST shall be paid extra on Upfront Payment by Lessee at applicable rate.	We seek clarity on Upfront payment, the way DOT see and evaluate that.	Refer Clause No 2.4.
12.	2.4.2	The Annual Rental Fee will be 10% of the Upfront Payment, which shall be increased by 10% on compounded basis after every two years.	The condition regarding enhancement of the Annual Rental Fee (vide clause 2.4.2) Lease rent by 10% in every two years period on compounded basis is also very stringent. The reset period should be at least three years and it should be on a simple basis based on the initial Annual Rental Fee	RFP conditions to prevail.
13.	2.5	Minimum Development Obligation of the Lessee ("Minimum Development Requirement" or "MDO")	The minimum development obligation would need a lot of ground preparation work. For the technical and financial bid, we would require the AutoCAD file and all the survey reports such as ground water, waste disposal etc. The absence of these would limit the scope of projecting a competitive bid. There is a higher chance of unusual and unrealistic financial bid. Can DOT share the drawings	For available property related details, please visit the link https://drive.google.com/drive/folders/1Zzt969bkFSSSdh3Aa7C0SLqGn57YKwjn Bidders are advised to visit the property and make own assessment

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			and survey reports for the locations! Is there any other way the department would facilitate to obtain this?	
14.	2.5	Minimum Development Obligation of the Lessee ("Minimum Development Requirement" or "MDO")	Looking at these two properties and their current physical structures, it is important to say, these properties are not in a shape to be operated with 3 star categories. In order to achieve the same as the RFP instruct the Lessee to achieve the MDO within 36 Months from the date of signing of the agreement, we request the authorities to grant the first three years as rent free period for the lessee. In addition the current covid situations and the future uncertainties could be considered by the authorities in this regard and keeping the schedule for upfront fee as per the RFP, the annual rental can be waived for first three years as mentioned above.	RFP conditions to prevail.
			Minimum Development/ Upgradation Obligation for B N Palace can lettable room be reduce to 40 as per the business viability and remote location	RFP conditions to prevail.
			Minimum Development/ Upgradation Obligation for implementation/ completion be increased as per the current covid situation?	RFP conditions to prevail.
			As per the clause 2.5 Minimum Development/ Upgradation Obligation for Tourist Complex can lettable room be reduce to 20 as per the business viability?	RFP conditions to prevail.
15	3.	Eligibility Criteria	What if the tenderer doesn't meet the financial minimum revenue requirements?	Bidders are required to achieve the eligibility criteria as per the RFP conditions.
	3.1.3.1.2	In case of a Consortium, the Lead Partner (as defined in clause 3.3 of this RFP) must satisfy the Eligibility Condition A as given in Table 5.1 and the Consortium must satisfy the Eligibility Condition A as given in Table 5.2.	After due analysis of the eligibility criteria relating to net worth requirement (Table 5.2) , it is observed that the properties at Satapada , Jharsuguda and Konark would require net worth of Rs. 20 crore each, and other smaller properties would require Rs. 10 crores except the Panthika Dhouli requiring Rs. 5 crores. Net worth stipulation of Rs. 20 crores for such properties is rather high and unachievable. Therefore, the same needs to be substantially scaled down to Rs. 5 crores.	RFP conditions to prevail
16	3.4.2	Bid Security Declaration	As stated in clause 3.4.2 what would be the Bid Security Deposit for BN Palace?	Clause no 3.4.2 reads as "Bid Security Declaration: Bidders shall submit Bid Security Declaration in lieu of Bid Security Deposit."
17	5.2.3. Table 8	Table 8: Technical Evaluation Criteria (For Bidders satisfying Eligibility Condition A as per Clause 3.1.3 of the RFP)	The Bid Evaluation criteria as embodied in Table 8 and 9 as to Minimum Net worth should also be changed accordingly	RFP conditions to prevail
			The marking in the Technical Evaluation criteria as at sr. no 2 of Table 8 for experience in additional hotels should be changed from just 5 marks to 10 marks for each such additional hotel experience.	RFP conditions to prevail
18	Lease Cum Development	Not to assign, transfer or sublet or create any lien or encumbrance on	As per the clause of Grant right 1.5.5 Can we sublet the property for	Bidder is not allowed to sub-let the property as a whole or portion to any other vendor as per LDA 1.5.5.

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	Agreement	this Agreement, or the Lease hereby granted or on the whole or any part of the Project Assets or Project Facilities nor transfer, lease or part possession thereof, save and except as expressly permitted by this Agreement;	client events? As per the clause of Grant right, Kindly clarify if the tenderer can include third-party services that run on top of my infrastructure?	Bidder may allow / involve third party service providers at their own risk without violating the governing clauses of the LDA.
19.	1.49	Lease cum development Agreement	As per the definitions and interpretations, clause 1.49 in Lessee event of default and lease is terminated due to any reason will lessee be able to get back the money invested.	Refer Clause 1.10 and 1.11 for clarifications on termination.
20	Other	NA	No. of arrivals per day or per month at the Jharsuguda airport for the year 2019? Further, a break-up of domestic and international will be great.	Bidder may refer AAI data.
21	Footfall	NA	Monthly Visitors/Footfalls at Satapada, Jharsuguda and Konark for the years 2017, 2018, 2019	Data available at DoT Annual Report. Link is https://dot.odishatourism.gov.in/sites/default/files/Odisha%20Tourism%20Annual%20Report%202019-20_0.pdf
22.	Postpone	NA	As referred above I request your authority to kindly postpone the entire process for leasing of the enlisted properties of the tourism department by at least TWO MONTHS as the 2nd phase of Corona Spike is all around alarming, frightening and deadliest. And in this atmosphere visiting the places of the properties and the interface will be extremely detrimental and fatal. Hence please defer the date for submission of the RFP at least by two months for the sake of everybody's life.	Any information relating to timelines will be notified in DoT website.
23	Other	NA	What is the provision for MEP/ Engineering areas in the current set up (Transformer capacity, DG Set Capacity, STP, WTP, etc)? What is the provision for Back of the House areas (staff accommodation/ staff cafeteria, receiving area, laundry? storage)	Facilities and amenities vary between properties; bidders are advised to visit properties to make an assessment.
24	Incentive	NA	What are the incentives under tourism policy for construction and/or operation of the property	Refer Section 7.7 of Odisha Tourism Policy, 2016 and its amendments
25	Drawings	NA	Please share architectural planning and designs of the proposed development as per Minimum Development Obligation. Also, please share architectural planning and designs of the existing structures	For available property related details, please visit the link https://drive.google.com/drive/folders/1Zzt969bkFSSSdh3Aa7C0SLqGn57YKwjin
26	Konark	NA	Will the balance 4.92 acres be operated by the tourism department? What will the property be used for and what activities will take place out here.	DoT reserves right to decide on the utilization of balance property.
27	Konark	NA	Will these properties have a common approach?	There will be separate access for each property and boundary wall will be constructed to separate the two

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				facilities.
28	Konark	NA	We will be keen to operate entire 9.42 acres under one brand. We suggest government considers including the balance land under the RFP	RFP conditions to prevail
29	Konark	NA	What are the setback regulation – FSI, Height Restrictions, CRZ?	CRZ is not applicable, FSI as applicable
30	Satapada	NA	What are the setback regulation –FSI, Height Restrictions, CRZ?	CRZ as applicable, FSI as applicable
31	Satapada	NA	We had also visited the property at Yatri Nivas, Satapada. It was not very clear to us as to the composition of 26 rooms included in the offer document. Whether it includes the Conference Room there? Whether it includes all the buildings there including the one which is about 4/5 years old? The land available is about 7 acres, however only 3.5 acres are included, which may also be clarified.	The Lessee shall be handed over the movable and immovable assets at the respective properties on “as is where is” basis (Project Assets) as per clause no 1.3. Total area available on lease can be accessed from the link at Page No 6
32	Satapada	NA	Minimum Development requirements - It requires development of 60 lettable rooms at Yatri Nivas, Satapada. But it requires bank finance and creation of an equitable mortgage. Similarly, for Yatri Nivas Konark, 75 lettable rooms are to be developed. This is quite significant and how the Mortgage charge is to be created for bank finance? The ownership will remain with the Lessor , but the investment will have to be made by the Lessee. This issue needs clarification. It is therefore very much imperative that the lease conditions should provide for giving morgagable rights to the lessee for mortgaging the property to the financing banks/ Financial Institutions / NBFCs for availing loans from them as done by IDCO for setting up hospitality industry and other industries	Lessee can avail bank finance using the lease agreement. Refer clause No. 1.9.2.iii.4
33	Other	NA	TRC developed property in Jharsuguda is about 2 KM from Airport and is inside from state Highway and Jharsuguda Bypass Highway, so in that case how much of a difference that brings to the equation on Investment	Proximity to the airport is a key investment factor in the hospitality sector. Bidder has to conduct own research on the footfalls and business forecasts.