

**TENDER CUM AUCTION FOR OPERATION AND MAINTENANCE OF THE
TEMPORARY FOOD COURTS AT RUSHIKONDA BEACH IN VISAKHAPATNAM
DISTRICT**

**DISTRICT TOURISM COUNCIL
VISAKHAPATNAM**

TENDER CUM AUCTION FOR OPERATION AND MAINTENANCE OF THE TEMPORARY FOOD COURTS AT RUSHIKONDA BEACH IN VISAKHAPATNAM DISTRICT

DISTRICT TOURISM COUNCIL, VISAKHAPATNAM is in the process of outsourcing some of its properties and is undertaking extensive marketing to connect with investors to ensure wider participation in the bid process. Given the nature of the properties (in terms and property size and investment), they are more conducive for local investors.

DTCs have been undertaking several investor friendly activities as part of their responsibilities towards development of tourism sector in the State. Given their local connect with investors, The property details include individual 14 nos of temporary shops of 100 sft each (each block comprising 2 shops of each 100 sft) **THROUGH TENDER CUM AUCTION** basis.

The Proposed activities to be established are as follows.

1. Food court for sea food products
2. Snack bar
3. South Indian Food Court
4. Bengali Food Court
5. Cool drinks and Juice bar
6. Deserts and North Indian food Court.

List of Properties:

S. No.	Location	Type	Category	Existing Facilities	Land Extent (Acres)	Built-up Area (Sq. M.)	Upset Price
1	Rushikonda Beach	Temporary food courts	A	14 Temporary food courts	D A	9.42 sqm or 100 sft each	Rs. 5000/- each shop per month

(lay out drawing of food courts is enclosed)

Bid Fee: INR 5000/- for A Category property. The cost of bid shall be submitted through a DD, drawn from Nationalized/Scheduled Bank in favor of “DISTRICT TOURISM COUNCIL, VISAKHAPATNAM” and payable at Visakhapatnam, AP

Bid Security (EMD): INR 50,000 for A Category property. The bid security shall be submitted in the form of either Demand Draft or unconditional and irrevocable Bank Guarantee from a

Nationalized/ Scheduled Ban (excluding Cooperative Banks) which is refundable subject to terms and conditions.

Eligibility Criteria:

Technical:

Applicant should have experience of:

Operating similarsize facility (Hotel/Resort/Wayside Amenity/Restaurant/Food Court) for at least 1 year in last 5 years.

Financial:

The applicant shall have the minimum net-worth equivalent toRs.5,000,00/- (Rupees Five Lakhs only). The applicant shall furnish a Chartered Accountant (CA) certificate as on 31st March, 2017 for each project applicant is applying for.

Bid Submissions:

Applicants shall submit two sealed envelopes, envelope - 1 for eligibility documents and envelope - 2 for price bid individually for each shop.

Lease Rental:

The successful bidder shall have to pay a yearly lease rental. The lease rental for the first year would be quoted by the bidder and it will increase 5% year on year for the entire duration of lease period.

The Lease rental shall be quoted intotal. It must exclude service tax, all other applicable taxes, duties, levies and fees. It shall be the responsibility of the bidder to pay all taxes, cess and surcharges. It shall be the responsibility of the bidder to pay Property tax during the Lease Period to the Local Authorities on behalf of DTC.

Security Deposit: The Successful bidder has to pay Rs. 1,00,000/- (Rupees one lakh only) to be paid to **DISTRICT TOURISM COUNCIL, VISAKHAPATNAM** as security deposit for each shop. The amount is refundable without interest at the termination of the agreement subject to fulfillment of terms and conditions.

Lease Period:

10 years and renewable for next 10 years on mutually agreed terms & conditions and as per prevailing rules and regulations at the time of renewal.

Performance Security:The Security amount will be treated as performance security. This amount is liable for forfeiture if the successful bidder fails to perform the conditions stipulated in mutually concluded agreement.

Scope of Work:

DISTRICT TOURISM COUNCIL,VISAKHAPATNAM proposes to lease out the temporary food courts (14 numbers each having 100 sft. Area) individually for setting up of the food courts as mentioned above as it is where it is basis through **TENDER cum AUCTION** basis.

The scope of work for the selected bidder/bidders shall include O&M of existing facility with making any addl. Arrangements required for setting up at his own cost. The Operator will be entitled to fix the prices of these services and change the rates thereof whenever it deems it.

O&M Operator's responsibilities

- Post signing the agreement with DTC, the Operator shall complete the obligations and make the Project operational as per the moratorium period.
- Modification to the existing rooms as feasible with prior permission from DTC, without affecting the basic structure of the property and in compliance to the CRZ Norms is allowed.
- Provide Electricity connection at his own cost.
- Operate as well as maintain a reasonable good quality facility.
- All activities shall be undertaken by the O&M operator at their own expenses after the handing over of the property by DTC.
- After DTC hands over the site to the Operator, the Operator will have to complete the addl. requirements as may be needed to make the Project operational at his own cost before the moratorium period given for setting up of the project. All Permissions, Licenses needed for grounding are the responsibility of the bidder. The moratorium period will be one month from date of signing of Agreement.
- In the case the operator is unable to make the Food Court operational even after the lapse of the moratorium period, DTC may at its discretion to extend the period without prejudice to the rights to receive payments and levy liquidated damages. In case, if the project is not completed even then, it will be treated as an event of default.
- The lease rental should be paid annual basis in advance. If the Operator fails to pay the lease rent after 30 days of end of each year, this will attract an interest of 24% of the overdue amount for the number of days of delay. If it remains unpaid after 60

days, it will lead to automatic termination of contract and forfeiture of the good will amount paid.

Licenses & Approvals

All operation related licenses and approvals will be the responsibility of the successful bidder(s). The bidder is responsible for obtaining all the facility related licenses. DTC shall assist the Successful Bidder (s) on a best effort basis for the same.

Minimum Service Obligation

The Operator shall at its own cost and expense:

- a. The Operator has to run the property at the awarded site as a well-maintained and good quality tourist facility as per the property type.
- b. Operator is entitled to set the tariff terms for all facilities and services it provides at the property and also entitled to change such rate whenever it deems fit.
- c. Obtain all Applicable Permits in conformity with the Applicable Laws and be in compliance with thereof at all times during the Service Period;
- d. Procure and maintain in full force and effect, as necessary, appropriate proprietary rights, licenses, agreements and permissions for materials, methods, processes and systems used in or incorporated into the Project;
- e. Provide access to the DTC Officials reports on a regular basis during the Operations Period in accordance with the provisions of this Agreement;
- f. Take all reasonable precautions for the prevention of accidents on or about the Project Site/Project Facility and provide all reasonable assistance and emergency
- g. Be responsible for safety, soundness and durability of the Project Facility including all structures forming part thereof and their compliance with the Specifications and Standards;
- h. Ensure that the Project Site remains free from all encroachments and take all steps necessary to remove encroachments, if any;
- i. Provide access to the auditors and inspectors of DTC whenever DTC chooses to conduct such audit or assessment.

DOS & DON'TS of the Bidders:

Cleanliness is to be given ultimate priority simultaneously with running of food Courts. The following are the guide lines that are to be implemented invariably:

1. Serving of Food Items: The food items should be served in disposable plates, glasses and other eco friendly disposable containers only and no dish washing of plates, glasses is allowed.
2. Providing Dust Bins: The operator should invariably setup Dust bins for putting the used disposable plates and other items by tourists and it is the responsibility of the operator to transport and dump in to nearby GVMC dustbin periodically.
3. Water Supply: DTC will provide water supply and the operator has to utilize the water to optimum extent possible.
4. Fire fighting equipments: The operator has to set up full-fledged fire fighting equipment for countering the possible fire accident hazards.

Insurance

The Operator shall, at its cost and expense, purchase and maintain during the Operations Period, insurance to cover against:

- (a) loss, damage or destruction of the Project Facility, at replacement value;
- (b) the Operator's general liability arising out of the Service;
- (c) liability to third parties; and
- (d) any other insurance that may be necessary to protect the Operator and its employees, including all Force Majeure Events that are insurable and not otherwise covered in items (a) to (c).

The Operator shall pay the premium payable on such insurance policy (ies) so as to keep the policy (ies) in force and valid throughout the Service Period and furnish copies of the same to DTC. Each insurance policy shall provide that the same shall not be cancelled or terminated unless 10 Days' clear notice of cancellation is provided to DTC in writing. If at any time the Operator fails to purchase and maintain in full force and effect any and all of the insurances required under this Agreement, DTC may at its option purchase and maintain such insurance and all sums incurred by the DTC therefor shall be reimbursed by the Operator forthwith on demand, failing which the same shall be recovered by the DTC by exercising right of set off or otherwise.

General Terms & Conditions

The property shall be used only for the purpose for which it has been leased and not for any other purpose. Any change, arising out of statutory or legal requirements, shall be only after. Non-compliance of the above condition would entitle DTC to terminate the agreement.

The property cannot be alienated/ transferred/ subleased/ sold/ mortgaged, in part or full, to any third party. The bidder cannot mortgage the property as it does not hold lease rights

Schedule of BID PROCESS

S,No	Item	Schedule Date
1.	Down Loading of the Tender Document through District information web site starts from	24.11.2017
2.	Pre-bid meeting on proposed tender	01.12.2017
3.	Last date for submission of bids	07.12.2017 up to 4.00 pm
4.	Date of Opening of Tenders and Auction	11.12.2017,3.00 pm

Format for Technical Eligibility (separate table to be provided for each project)

S. No.	Particulars	Details
1.	Name of the Eligible Project	
2.	Cost of the eligible project	INR ____
3.	Type of Project (specify the type)	
4.	Details of the project	Area of the project : _____ Total built up Sq. ft. : _____ Start of commercial operations:
5.	Location, State, Country	Location: State: Country:
6.	Proof of operations attached	Y/N If Y, please mention proof type: 1. Hotel/restaurant license 2. Work order /Agreement 3. Experience certificate 4. Balance sheets with CA certificate 5. Photographs of the project 6. Others, please specify

Note: Similar table to be provided for each eligible project

Format for Financial Eligibility - Net worth Details

Bidder Name	
Net Worth (as on 31 st March, 2017)	

For Individuals/Proprietors, the following assets/liabilities classes with the respective details will be considered for net-worth calculation supported by IT Returns:

Assets:

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- Land:
 - Land Details (Acreage, Survey Number, Village, Mandal, District)
 - Land Ownership Details
 - Land value as per SRO
 - Property:
 - Property Details (Acreage, Survey Number, Village, Mandal, District, Built-up Area)
 - Property Ownership Details
 - Property value evaluated by approved surveyor/chartered engineer etc.
 - Deposits:
 - Deposit Receipts
 - Account Statements
 - Gold & Jewellery:
 - Gold & Jewellery value evaluated by approved financial institutions

Liabilities:

- Loans:
 - Home Loan
 - Personal Loan
 - Car Loan
 - Business Loan

Net-worth = Assets - Liabilities

For Companies/Partnership Firms:

Net worth = {(Subscribed and paid up Share Capital + Reserves and Surplus) - (Revaluation Reserves + Miscellaneous expenditure not written off + Deferred Revenue Expenditure + Deficit in P & L Account if any)}

— The Applicant should provide an Auditors Certificate specifying the Net Worth as on 31st March, 2017, supported by Balance Sheet and IT Returns.

Price Bid Format

Date:

To

The Chairman,
District Tourism Council,
VISAKHAPATNAM

Dear Sir/

Ref: Selection of agency for project at **(Setting up of Food Court ofin Shop no..... at Rushikonda beach** in Andhra Pradesh under Simple Lease

- i. I/ we offer to develop and operate project **(Setting up of Food Court ofin Shop no..... at Rushikonda beach)** on the stipulated terms and conditions and other particulars therein. I / we hereby submit our unconditional financial proposal
- ii. I/we hereby offer and agree to pay **INR _____ (Rupees _____)** as Annual Lease Rental commencing from the date of possession of property against the upset price mentioned.
- iii. It is understood that the above quoted annual Lease Rental is for the first year of possession of property and will be enhanced at 5% on year on year basis for subsequent years.
- iv. It is understood that the amount payable to authority is exclusive of service tax and all other applicable taxes.
- v. This proposal and all other details furnished by us shall constitute a part of our Bid. I / we understand that you are not bound to accept the highest or any bid received or any auction offer.
- vi. I/ we agree that my / our Bid shall remain valid for a period of 180 days from the Bid Due Date prescribed for submission of proposal. I/ we agree to bind by this offer if we are the Successful Bidder.
- vii. We Agree to Pay Rs. 100,000/- (Rupees one lakh only) as a good will advance in the stipulated form (Demand Draft) along with agreement

For and on behalf of:

Signature:

(Authorized Representative and Signatory of the Bidding Company)

Name of the Person:

Designation:

SEAL OF THE BIDDING ENTITY

**TENDER CUM AUCTION FOR OPERATION AND MAINTENANCE OF THE TEMPORARY
FOOD COURTS AT RUSHIKONDA BEACH IN VISAKHAPATNAM DISTRICT**

INSTRUCTIONS TO BIDDERS

DISTRICT TOURISM COUNCIL,VISAKHAPATNAM is in the process of outsourcing some of its properties and is undertaking extensive marketing to connect with investors to ensure wider participation in the bid process. Given the nature of the properties (in terms and property size and investment), they are more conducive for local investors. The Process of Calling for tender receiving of Tender documents and Opening of Tenders & Conducting of auction will be done through **DISTRICT TOURISM COUNCIL**, Visakhapatnam. In this process DTC wish to Let out its Property of Temporary food Courts (14 nos- each having 100 sftarea) at Rushikonda beach in Visakhapatnam district for O&M through D.T.C,Visakhapatnam.

Schedule of BID PROCESS

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1. DTC will conduct Pre-bid meeting with investors to discuss the importance and details of properties to be outsourced to resolve their queries. The Venue of the meeting will be at Conference Hall,Haritha beach resorts, Rushikonda at 11.00 am on 1/12/2017 .
2. Any deviation to be made to Tender document, based on the feedback received from investors, shall be undertaken by the technical committee at respective DTC, Bidders should invariably stick to timelines specified above.

A) Constitution of technical committee by DTC

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3. DTC shall constitute a technical committee under the overall chairmanship of District Collector, Visakhapatnam. The members of the technical committee shall be **Regional Director(Tourism), District Tourism Officer, Executive Engineer, APTDC and DVM** concerned. This committee will look after entire process from Start to end of the process of tendering

B) Bid submission, evaluation & award

4. Bidders shall submit two sealed envelopes, envelope - 1 for eligibility documents and envelope - 2 for price bid.
5. The Bidders are requested to submit two separate Demand Drafts of Rs. 5000/- and 50,000/- each as Bid fee and Bid Security fee as specified in the Bid Document. The Demand Drafts should be payable at any nationalized bank at par in VISAKHAPATNAM and should be in the name of **DISTRICT TOURISM COUNCIL, VISAKHAPATNAM** .
6. The bid evaluation shall be conducted based on documents provided by each of the bidder in envelope 1 within 5 days of bid submission date.
7. All the eligible bidders will be issued a hall-ticket to participate in financial-bid opening and auction process.
8. On the 7th day of bid submission, bids of all technically qualified bidders shall be considered for financial evaluation by opening the envelope 2. The highest bidder shall be announced for the bid.
9. Chairman of the Technical Committee shall conduct an open auction from the highest bid as the base price to give one more opportunity to all the bidders to offer for further higher bids. The **bidder of the highest bid** in the auction will be declared as the Successful bidder.
10. The open auction shall be closely coordinated, observed and recorded by the Technical Committee in the minutes of the proceedings. The timelines mentioned above are indicative. The District Collector has the freedom to decide depending on local conditions.
11. After completion of auction, signatures will be obtained from all participants of a particular property, confirming successful O&M operator to ensure transparency.
12. Work order shall be issued by The Chairman, DTC and Operator has to pay the annual lease AND security deposit in advance in the name of DTC before one week at the time of handover the property.

13. The property shall be handed over on an as-is-where is basis excluding all the movable equipment, post-entering into the agreement and upon receipt of annual lease rental. The movable equipment could be given to the successful bidder on payment basis duly valuing the worth of the equipment by the technical committee.
14. The rental agreement shall contain detailed inventory of both movable and immovable properties.
15. Bidders are requested to opt for personal assessment of the Property before participating in Tender.

Any Queries/clarifications required in the above issues can be sought from the below Address.

OFFICE OF THE REGIONAL DIRECTOR, TOURISM &
E.D, A.P.T.D.C, 2ND FLOOR
VUDA Vudyog Bhavan Complex', Siripuram
VISAKHAPATNAM
Ph.No:0891-2590799