

BIDDING DOCUMENT

Issued on: 17.11.2017

For

Selection of agency for Development/Operation and Maintenance of APTDC property at Coringa in Andhra Pradesh under Develop/Operate and Maintain Contract

Authority: *Andhra Pradesh Tourism Development
Corporation*

Vol II: Terms of Reference (ToR) and Project Profile



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1 Terms of Reference (ToR)

1.1 About the projects

The operator will have to develop and market the property and provide all services to the guests of reasonable good quality and standards.

1.2 Rationale for the project

Government of Andhra Pradesh (GoAP) vision is to be amongst the top 3 States in India by 2022, the top State in India by 2029, and be the most preferred global destination by 2050. The government is taking steps to provide an environment conducive to economic and social growth. These steps include formulation of investment friendly policies, creating world-class infrastructure, improving governance and taking necessary steps to attract investments into the State. Promotion of tourism infrastructure and services at potential destinations is one amongst the many initiatives taken up by the GoAP.

In line with the objective to make Andhra Pradesh the premier destination for tourists in the country, Government of Andhra Pradesh has identified nine key theme areas to be developed. The theme areas are listed below:

- Religious Tourism
- Recreation Tourism
- Beach Tourism
- Buddhist Tourism
- Spiritual & Wellness Tourism
- Heritage Tourism
- Medical Tourism
- MICE Tourism
- Eco Tourism

Tourist arrival Trend

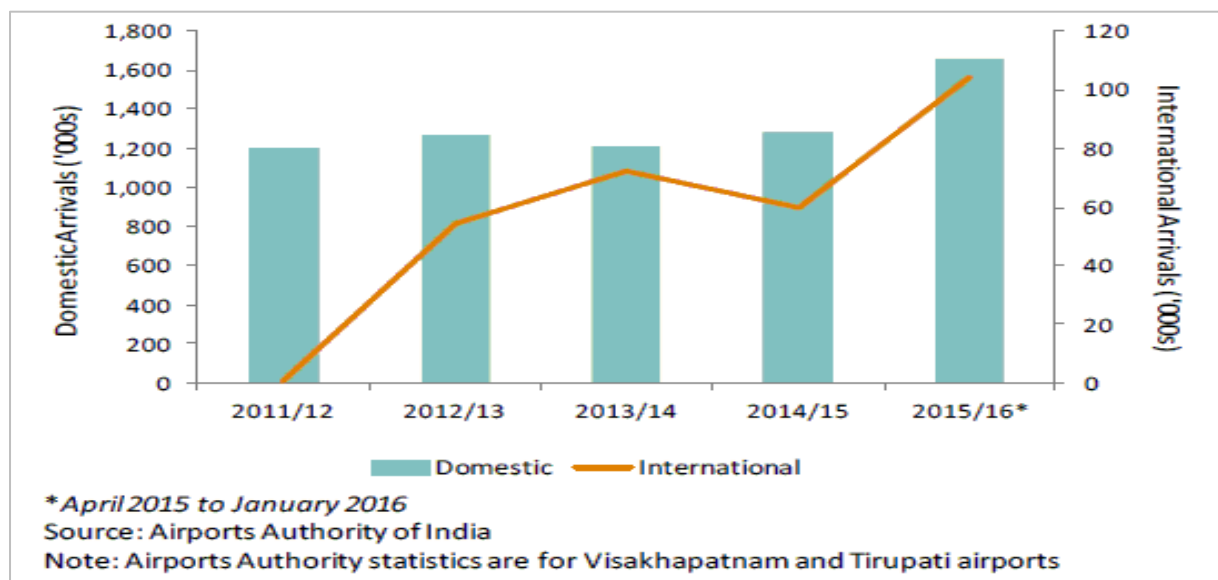
Andhra Pradesh has the distinction of being a leading tourism destination in India and is presently, the Third most visited State in terms of domestic tourists' arrivals. Following table highlights the district wise tourist arrival in AP in FY 2016:

District	2016 Arrivals					
	Rank	Domestic (Million)	%	Rank	International	%
Chittoor	1	43.28	28.25%	4	9,626	2.97%
Krishna	2	23.85	15.57%	3	11,686	3.61%
Visakhapatnam	3	18.06	11.79%	2	78,218	24.13%
Srikakulam	4	16.52	10.78%	7	1298	0.40%
East Godavari	5	13.44	8.77%	9	1021	0.31%
Kurnool	6	12.71	8.30%	11	546	0.17%

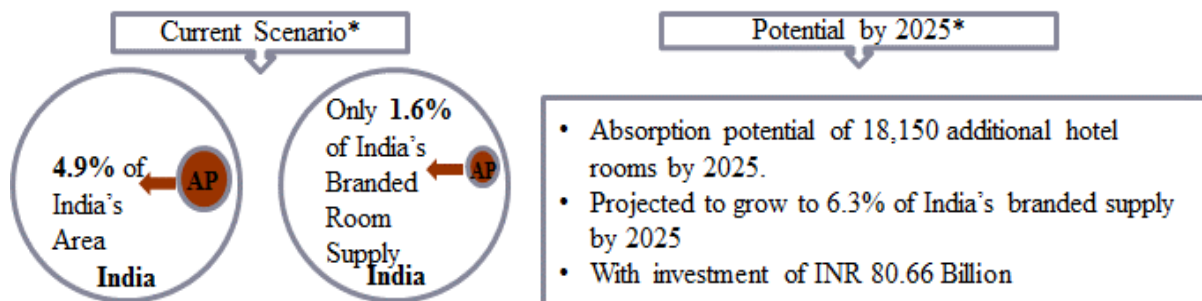
West Godavari	7	7.47	4.87%	12	449	0.14%
Guntur	8	5.20	3.40%	8	1,185	0.37%
Vizianagarm	9	3.65	2.38%	6	4,631	1.43%
Kadapa Y.S.R	10	3.33	2.17%	13	6	0.00%
Nellore	11	3.04	1.98%	5	5,320	1.64%
Anantapur	12	1.49	0.98%	1	209,154	64.53%
Prakasam	13	1.15	0.75%	10	1000	0.31%
		153.17			324,140	

Source: Ministry of Tourism, 2017

There has been steady increase in both domestic and international tourist arrivals from 2011-12 to 2015-16.



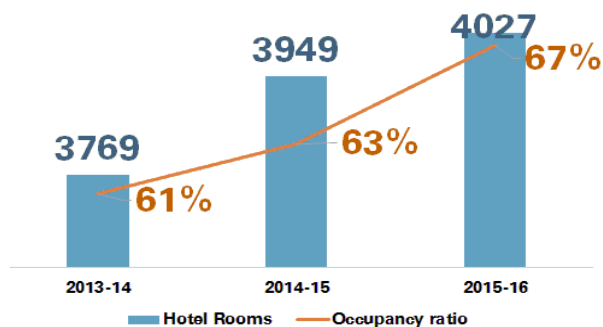
Current Scenario and Potential for Hotel Rooms in AP



*Source: HVS 2016 study

Performance of existing hotels in AP

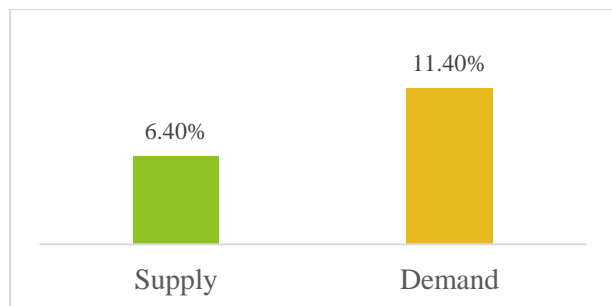
- Statewide RevPAR performance of existing hotels was recorded at INR 2,010 in 2015-16 (15.4% growth over 2014-15)
- Following graph indicates growth of branded hotel rooms and increasing occupancy ratio of same over 3 years.



Demand and Supply scenario of branded hotel rooms

- Presently there is high demand of branded hotel rooms in AP.
- Supply of Branded Rooms is only 44% of total rooms

Following graph indicates the CAGR growth in Supply and demand of branded room from 2013-2016.




As seen from the excellent performance of existing branded hotels and high Supply demand gap for branded hotel rooms, AP presents a tremendous opportunity for development of Hotels/Resorts and MICE

2 Scope Data Sheets

2.1 Scope Data Sheet for Development of the project

2.1.1 Project Information memorandum

Project	Google Map	Village	District
Coringa		Chollangi	East Godavari

2.1.2 Connectivity/tourist attractions

Project	Airport	Railway station	Bus station	Tourist Locations
Coringa	Rajahmundry (70 Km)	Kakinada (17 Km)	Kakinada (17 Km)	Hope Island Coringa Wildlife Sanctuary

2.1.3 Project Information Memorandum

Coringa:

Land Details:	
Survey Number	220/1
Village	Chollangi
Mandal	Tallarevu
District	East Godavari
Bound on the East by	Forest Land
Bound on the West by	Pvt. Land
Bound on the North by	Road
Bound on the South by	Govt. Land (New approach road)
Property Details:	
Component wise details	Interpretation Center: 780 Sq. ft. Restaurant: 681 Sq. ft. Audio Video Room: 1265 Sq. ft. Toilet Block: 780Sq. ft. Lobby: 355 Sq. ft. Entrance Lobby: 320 Sq. ft. Corridor: 800 Sq. ft. Manager Room: 807 Sq. ft. Court Yards(2): 490 Sq. ft. each

Site Plan:



Site Photos:





2.2 Minimum Development and Service Obligations

APTDC proposes to place its APTDC properties, under development/operation and maintenance by reputed private operators. The additional development if envisaged shall be taken up by the O&M operator only. APTDC proposes to contract reputed operators to manage these properties on an “**as-is-where-is**” basis that is the immovable properties will be handed over which excludes all furniture, ACs, gensets and other movables assets. The properties shall have all modern facilities, conform to development guidelines apart from conforming to the minimum standards laid down by the APTDC as mentioned in Appendix IX of Vol – I.

These terms and conditions will be specified in the Service Agreement between APTDC and the Successful Bidder. The scope of work for the selected bidder/bidders shall include O&M of existing facility and inter alia construction as per MDOs, interior decoration or renovation, marketing, operations and maintenance of the projects in accordance with the provisions of the RFP comprising of Terms & Conditions, Scope of work and Service Agreement.

The service provider will have to market the property and provide all services to the guests as per the standards of a well-maintained and reasonable quality. It will include all room services cleaning, cleaning and maintenance services, food and beverage services, banquet and related services. It will also include transport and logistics required, travel desks, any health club / spa services if required. The Operator will be entitled to fix the prices of these services and change the rates thereof whenever it deems it. The service provider will have to provide rate lists to APTDC and certified revenue statements every quarter (at the end of the quarter within 7 days) with detailed break up various heads revenues.

O&M Operator’s responsibilities

- Post signing the agreement with APTDC, the Operator shall complete the obligations and make the Project operational as per the moratorium period (Appendix IX of Vol – I).
- Construct additional rooms and modification to the existing rooms as envisaged.
- Provide furniture (for rooms, reception, common areas, restaurants etc.), interior and exterior electrical fittings, moveable equipment (for kitchens, rooms, ancillary services etc.)
- 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 APTDC.
- The Operator shall, during the construction period designate and appoint suitable officers/ representatives as it may deem appropriate to assist APTDC in supervising the Project and be responsible for all necessary exchange of information required pursuant to this Agreement;
- After APTDC handing over the site to the Operator, the Operator will complete the interior, exteriors, fittings and furnishings, landscaping etc. as may be needed to make the Project operational. In case the operations are achieved before the moratorium period

(Appendix IX of Vol – I), the Minimum Assured Annual Revenue Share shall be payable from the date of start of operations itself. If the Operator fails to make the project within the moratorium period the Minimum Assured Annual Revenue Share shall be payable from the date of expiry of moratorium period.

- In the case the operator is unable to make the property operational even after the lapse of the moratorium period (Appendix IX of Vol – I), APTDC may at its discretion 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.
- In the case the operator is unable to complete the project even after the lapse of the project completion period (Appendix IX of Vol – I), APTDC may at its discretion 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.

2.2.1 Licenses & Approvals

All operation/construction related licenses will be the responsibility of the successful bidder(s). Obtaining bar and liquor license is also responsibility of the successful bidder.

The developer is responsible for obtaining all the facility related licenses. The AUTHORITY shall assist the Successful Bidder (s) on a best effort basis for the same.

2.2.2 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 hotel/ resort facility.
- 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. However at the end of each quarter the operator will provide a detailed breakup of the revenue at the end of each quarter.
- c. Investigate, study, operate and maintain the Project Assets/Project Facility in accordance with the provisions of this Agreement, Good Industry Practice and Applicable Laws;
- d. Obtain all Applicable Permits in conformity with the Applicable Laws and be in compliance with thereof at all times during the Service Period;
- e. 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;
- f. Ensure that each Project Agreement contains provisions that would entitle AUTHORITY or a nominee of AUTHORITY to step into such agreement at AUTHORITY's discretion, in place and substitution of the Operator in the event of Termination pursuant to the provisions of this Agreement; provide all assistance to the AUTHORITY as they may reasonably require for the performance of their duties and services under this Agreement;
- g. Provide to the AUTHORITY Officials reports on a regular basis during the Operations Period in accordance with the provisions of this Agreement;

- h. Appoint, supervise, monitor and control the activities of Contractors / Staff or any other service provider under their respective Project Agreements as may be necessary;
- i. Develop, implement and administer a surveillance and safety program for the Project/Project Facility and the users thereof and the personnel engaged in the provision of any services under any of the Project Agreements including correction of safety violations and deficiencies, and taking of all other actions necessary to provide a safe environment in accordance with Applicable Laws and Good Industry Practice;
- j. Take all reasonable precautions for the prevention of accidents on or about the Project Site/Project Facility and provide all reasonable assistance and emergency medical aid to accident victims;
- k. Not to place or create nor to permit any contractor or vendor or service provider or any other person claiming through or under the Operator to create or place any Encumbrance over all or any part of the Project Assets, or on any rights of the Operator therein, save and except as expressly set forth in this Agreement;
- l. 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;
- m. Ensure that the Project Site remains free from all encroachments and take all steps necessary to remove encroachments, if any;
- n. Operate and maintain the Project at all times during the Operations Period in conformity with this Agreement including but not limited to the Specifications and Standards, the Maintenance Programme and Good Industry Practice;
- o. Remove promptly according to Good Industry Practice, from the Project Site, all surplus construction machinery and materials, waste materials (including, without limitation, hazardous materials and waste water), rubbish and other debris (including without limitation accident debris) and keep the Project Site in a neat and clean condition and in conformity with the Applicable Laws and Applicable Permits.
- p. Provide to AUTHORITY at the end of each quarter/month as agreed in the SA audited profit and loss statement within 7 days of the end of the quarter / month.
- q. Provide access to the auditors and inspectors of AUTHORITY whenever AUTHORITY chooses to conduct such audit or assessment.
- r. All necessary clearances and permits required from the relevant authorities should be obtained by the Successful Bidder and the Successful Bidder shall adhere to all relevant guidelines/ recommendations / standards/ requirements prescribed by statutory bodies, Central/ State Government and its ministries / agencies, professional bodies and associations as applicable including adherence to labor laws to Employee State Insurance, Provident Fund, etc.
- s. The successful bidder may be further permitted to construct additional rooms/facilities including convention hall, amphitheater, open air movie theatre, etc. as may be required to make the property more attractive to tourists. The successful bidder shall pay extra revenue share (in addition to the minimum assured revenue share) to APTDC generated through the additional components permitted by APTDC. All such addition can be either permanent/ semi-permanent constructions after obtaining all requisite permissions and clearances from the competent authorities.

2.2.3 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;

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- (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 AUTHORITY. Each insurance policy shall provide that the same shall not be cancelled or terminated unless 10 Days' clear notice of cancellation is provided to AUTHORITY 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, AUTHORITY may at its option purchase and maintain such insurance and all sums incurred by the AUTHORITY therefor shall be reimbursed by the Operator forthwith on demand, failing which the same shall be recovered by the AUTHORITY by exercising right of set off or otherwise.

2.2.4 Conclusion

APTDC's projects will contribute to the vision of the Government of Andhra Pradesh in catalyzing tourism growth in the State, and leverage its unexplored natural assets for increasing tourism inflow and creation of infrastructure.