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SECTION I – INVITATION FOR BIDS (IFB)

Kavaratti, dated 1st July, 2010.

INVITATION FOR BIDS

- 1.1. The President of India, represented by Managing Director, Society for Promotion of Nature Tourism and Sports (SPORTS), Administration of the Union Territory of Lakshadweep invites sealed bids/offers from Hoteliers/Resort Operations desirous of operating for a period of 5-10 years, the 60 bedded Bangaram Island Resort located at Bangaram Island, Union Territory of Lakshadweep. The period of lease may be extended beyond the initial period for another five years at the sole discretion of Lessor ie. Society for Promotion of Recreation of Nature Tourism and Sports, Administration of the Union Territory of Lakshadweep on the terms and conditions deemed appropriate, but mutually agreed.
- 1.2. Interested eligible bidders may obtain further information from and inspect the bidding documents at the office of the Assistant General Manger, Society for Promotion of Nature Tourism and Sports, Lakshadweep Office, Willingdon Island, Cochin-3.
- 1.3. Complete set of bidding documents may be purchased by interested bidders on submission of a written application to the above and upon making a payment of \$ 500 (Five Hundred US Dollar) which will include the cost of courier mailing. The bidding documents can also be down loaded from the website of the SPORTS at www.lakshadweeptourism.com. A bankers cheque or draft of \$500 (five hundred US dollars) may be enclosed with such down loaded bid documents.
- 1.4. Indian bidders or companies registered in the Republic of India wishing to collect the documents shall pay Rs.10,000 (Rupees Ten Thousand) only as the purchase price.
- 1.5. The bidding documents are non-transferable.
- 1.6. A pre-bid meeting will be held at 1500 hrs on 3rd August, 2010 at the office of Managing Director, Society for Promotion of Nature Tourism and Sports, Lakshadweep Office, Willingdon Island, Cochin-3.

- 1.7. Bids must be delivered to the above office on or before 1500 hrs on 18th August, 2010 to the Managing Director, Society for Promotion of Nature Tourism and Sports, Lakshadweep Office, Willingdon Island, Cochin-3.
- 1.8. Bids will be opened in the presence of bidders' representatives who choose to attend at 1600 hrs on 18th August, 2010 at office of the Managing Director, Society for Promotion of Nature Tourism and Sports, Lakshadweep Office, Willingdon Island, Cochin-3 or any other venue that Managing Director, Society for Promotion of Nature Tourism and Sports, Administration of U.T. of Lakshadweep may announce.

A handwritten signature in black ink, consisting of a large, stylized initial 'M' followed by a series of loops and a long horizontal stroke extending to the right.

Managing Director (SPORTS)
For and on behalf of President of India

SECTION II – INSTRUCTIONS TO BIDDERS
(ITB)

Instruction to Bidders

A. Introduction.

1. Background.

1.1. The Union Territory of Lakshadweep is a group of 27 islands, with a total geographical area of 32 sq.km and surrounded by 4200 sq kms of lagoon rich in marine wealth. It is one of the most spectacular tropical island eco systems situated in Arabian Sea, between 8⁰ N and 12⁰.30' N latitudes and 71⁰E and 74⁰ E longitude, about 220 km to 440 kms west of Kochi, Kerala State. Out of 27 islands, only 10 are inhabited. The average annual rainfall is 1600 mm and is received during the South West monsoon (June to September). The temperature ranges from 25 degree to 35 degree Celsius in summer and 20 degree to 32 degree Celsius in the winter. The humidity is usually 70 to 75. All the islands are endowed with sandy beaches fringed with coconut trees, coral reefs, lagoons and unpolluted clear water with rich coral and marine life.

1.2. Although all the inhabited islands have well developed infrastructure for tourists, Bangaram, an uninhabited island has been developed to provide low volume high value eco-tourism considering its scenic beauty, coconut groves, silvery beach, transparent water, extensive blue lagoon, rich coral and marine wealth and its proximity to the Airport at Agatti island (8 km south). Bangram Island lies at 10⁰ 56' N latitude and 72⁰ 17' E longitude, about 460 km west of Kochi. The island, about 48 hectares of dense coconut groves, is surrounded by 46.25 sq km of blue lagoon. Thinnakara Island and islets Parali I & II also form part of the lagoon. On arrival at Agatti Airport, one can reach Bangaram Island by about one hour boat journey. During monsoon, when the sea is rough, transport of tourists can be done by the Helicopter sorties. There is regular air service between Kochi and Agatti. There is regular air service between Agatti, Cochin and Bangalore by Kingfisher Airlines which can seat 48 persons and offers maximum free baggage of 25 Kg per person. The Kingfisher Airlines operate 3 days in a week. Kingfisher flights operate round the year and Indian Airlines operate only during fair weather from October to April.

1.3. Bangaram Island Resort has been developed as an ecofriendly resort and all care has been taken to ensure that fragile ecology of the island is not disturbed by the facilities provided at the resort. Therefore the resort has not provided air conditioning in the huts and power requirement of the resort is met from solar energy. The resort has two types of huts. 3 Deluxe Huts which have double bedrooms with private sitting areas and

which can accommodate four persons each and twenty six single bed room huts with private verandah that can accommodate two persons each. Altogether, the resort can accommodate 60 persons. The Resort has a restaurant with bar (though there is prohibition in force in the rest of the Islands). The resort is ideal for various water sports and recreation facilities including fishing, boat ride, with surfing, kayaking, snorkeling, scuba diving, visits of coral reefs in glass bottom boats and transit trip to other islands in the lagoon. More water sports facilities that are eco-friendly can be added. Agatti island (8 km south of the resort) has a Community Health Centre with qualified medical personnel. The resort has over the years attained the status of a quiet getaway and is popular among foreign and domestic tourists. It is dubbed as divers paradise for its underwater life and corals, which offers a breath taking view. The resort is a great destination for all types of tourists; those who don't want to dive can indulge in snorkeling, swimming or just laze on the beach. It gives one an opportunity to be with one self and enjoy nature's bounty uninterrupted. The resort has in the past been recognized by the Department of Tourism, Government of India as an eco friendly resort and excellent centre for eco-tourism.

2. Terms and conditions for leasing of Bangaram Island Resort Lakshadweep

- i. The 60 bedded Bangaram Island Resort shall be leased initially for a period of 5-10 years extendable by another five years at the discretion of the Administrator, Union Territory of Lakshadweep and Chairman of Society for Promotion of Nature Tourism and Sports and on such terms and conditions that may be mutually agreed upon.
- ii. The lessor shall have the right to terminate the contract after giving 3 months notice if the Resort Operator does not maintain the basic safety environment and quality standards, as perceived by the Lessor.
- iii. The Resort Operator shall have to make its own arrangements for transport. No exclusive transport facility or reservation of berths or seats in the ships, other sea going vessels, helicopters etc., will be made by the Lakshadweep Administration. The resort operator needs to maintain his own Shipping/High Speed vessel operation between the island and mainland and also between Agatti and Bangaram for transport of tourists, cargo and for other requirements to maintain the resort at Bangaram. The resort operator also needs to explore the possibility of maintaining his own Helicopter service to connect tourists between Agatti and Bangaram during monsoon as the Lakshadweep Administration helicopter are basically medical ambulance helicopters and cannot be allowed for 1 or 2 tourists on a daily basis.

- iv. Indian & Foreign nationals are allowed to visit Bangaram after obtaining a permit from Lakshadweep Administration.
- v. The marketing of resort will be the sole responsibility of the Resort Operator.
- vi. The Society for Promotion of Nature Tourism and Sports, Union Territory of Lakshadweep Administration will be providing the following facilities in the Resort.
 - a) 3 Executive Huts, which can accommodate 8 persons at a time and 26 standard huts, which can accommodate 52 persons at a time.
 - b) Kitchen block with dining facility for 40 persons at a time.
 - c) Normal power supply at the prevailing commercial rates approved by the Lakshadweep Administration.
 - d) Limited running water from the local water supply system at approved rate depending upon the availability.
- vii. For continuous Fresh water supply to the Resort, the Resort Operator would have to make his own arrangements by installing a Desalination Plant of 5000-liter capacity or more depending upon the need of the Resort. The cost of the plant shall have to be borne by the Operator.
- viii. The Resort Operator shall maintain all the movable/immovable properties provided by the SPORTS in good and working condition and will return the same to the SPORTS after the lease period is over or terminated. In case of any damage, the cost of the same shall be payable by the Resort Operator/Lessee.
- ix. The Resort Operator and visitors will comply with the environmental guidelines issued by the Govt. of India and Lakshadweep Administration from time to time and shall help the Administration to preserve the fragile ecology of the islands.
- x. The Resort Operator should respect the customs and tradition of the local people of Lakshadweep and shall not do anything directly or indirectly, which hurts the sentiments and the feelings of the people.
- xi. The Resort Operator will extend all reasonable help and cooperation to the authorities of SPORTS/Lakshadweep Administration/Govt. of India in discharge of their lawful functions, including regular inspections.
- xii. The Resort Operator shall not be allowed to put up additional structures. Improvement/modification of the property. However improvement on the existing structures and facilities may be permitted at their own cost, but with the prior approval of the SPORTS/Lakshadweep Administration.
- xiii. The Resort Operator will insure the Resort at his expense and the movable property and other assets transferred to it by SPORTS/Lakshadweep Administration against the loss or damage by fire and explosion, sea erosion and other nature related risks under a comprehensive Insurance policy.

- xiv. The Resort Operator must have proven track record of 5 to 10 years of experience in the running of Hotels and Resorts and organizing package tours. Preference shall be given to the experienced operators.
- xv. The bidder should have a sound financial background. The details of assets and properties and annual reports of the business carried out by the Resort Operator along with income tax statement showing the financial soundness of the firm/operator must be submitted with the application.
- xvi. A projection of gross income and profits shall also be furnished along with the bid.
- xvii. The lease amount offered shall comprise of fixed lump sum down payment (royalty) per annum and recurring amount on quarterly basis subject to a minimum of Rs.10.00 Lakhs (Rupees Ten Lakhs) as royalty per annum and not less than 33⅓% of Gross turnover per annum without deduction of any tax. The amount offered should be written in indelible ink both in figures and words. In case of discrepancy of the amount written, the amount in words will prevail.
- xviii. Preference will be given to Operators who have actually set up and managed Beach resorts/Tourist Resorts elsewhere. The details of such resorts set up and documents evidencing the performance of the previous 3 years should be enclosed with the application/bid.
- xix. The Resort operator shall have to employ 80% local employees in the resort.
- xx. The Resort Operator will meet the recurring maintenance costs of the resort and the properties attached to it.
- xxi. The selected Resort Operator will have to enter into a lease agreement with the Lakshadweep Administration on the modalities of running the Resort, incorporation the conditions and the requirements mentioned herein, the terms and conditions of the contract, in addition to any other condition that SPORTS/Lakshadweep Administration may impose.
- xxii. The Administrator and the Chairman, SPORTS, Union Territory of Lakshadweep, reserves the right to include/exclude a firm/Resort in the select list, add any additional condition(s) at the time of executing the lease with successful bidder and reject any offer without assigning any reason thereof. He also reserves the right to call offers from persons/firms other than those included in the select list. Any decision of the Administrator and Chairman, SPORTS, Union Territory of Lakshadweep or any committee constituted for the purpose will be final, conclusive and binding on all the firms/resort operators concerned.

3. **Eligible Bidders:**

- 3.1. This Invitation for Bids is open to individuals, registered partnership firms and incorporated companies (local or foreign).
- 3.2. Bidders, in preparation of their bids should not be associated directly or indirectly with an employee of the SPORTS/Administration of the Union

Territory of Lakshadweep. All bidders should complete the non association clause in the Bid form.

3.3. The bidders are required:

- A.
- i) If Indian, to produce a signed declaration stating that they have no unpaid decreed debt, have not been convicted of theft, fraud and / of embezzlement during the last five years. In the case of companies or partnership firms, separate declaration shall be submitted by their respective partners, directors and shareholders.
 - ii) If foreigner, to submit a police clearance report from the county of origin and in case of companies/partnerships, it should be for the company, partners, directors and for the shareholders of private limited companies.
 - iii) For both 3.3 (A) (i) and (ii), foreign partners, directors and shareholders should submit police clearance report separately, and Indian partners, directors and shareholders are required to submit personal declarations separately.
- B. The bidder should also produce the audited statement of accounts with the Income Tax clearance Certificate for the last 5 years.

4. **Cost of Bidding**

- 4.1 The bidder shall bear all costs associated with the preparation and submission of its bid, and the SPORTS/Administration of the Union Territory of Lakshadweep will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process. However, upon submission of the bid to the SPORTS/Administration of the Union Territory of Lakshadweep, the bid will become the absolute property of the SPORTS/Administration, and the bidder will not have any right or claim whatsoever to claim back any of the documents or material comprising its bid.
- 4.2 The bidder shall purchase a set of bidding documents for the bid that they may wish to submit. The bidding documents purchased cannot be transferred to another party. The purchase price for bid will be 500 USD (Five Hundred US Dollar) only, for foreigner bidders and Rs. 10,000/- (Rupees Ten Thousand) only for Indian Bidders, payable to the Managing Director, Society for Promotion Nature Tourism and Sports, Union Territory of Lakshadweep by means of Demand Draft payable at Kavaratti.

B. The Bidding Documents

5. Contents of Bidding Documents

- 5.1 The contract terms are prescribed in the bidding documents. In addition to the Invitation for Bids, the bidding documents include:
- a) Instruction to Bidders (ITB)
 - b) Guidelines on project proposal/Feasibility study
 - c) Bid form and Rent Schedule (sample form)
 - d) Documentary evidence of person of Legal Entity (sample form)
 - e) Draft Lease Agreement
 - f) Map of Bangaram.
- 5.2 The bidder is expected to examine all instructions, forms, terms and specification in the bidding documents. Failure to furnish all information required by the biddings documents or to submit a bid not substantially responsive to the bidding documents in every respect will be at the Bidder's risk and may result in the rejection of its bid.

6. Clarification of Bidding Documents

- 6.1 A prospective bidder requiring any clarification of the bidding documents may notify the Society for Promotion of Nature Tourism and Sports, Union territory of Lakshadweep in writing at the address indicated in IFB clause 1.2.
- 6.2 Prospective bidders should submit requests for clarification at least fifteen (15) days prior to bid closing date specified in IFB Clause 1.7.

7. Amendments of Bidding Documents.

- 7.1 At any time prior to the deadline for submission of bids, the SPORTS/Administration, for any reason, whether at its own initiative or in response to a clarification requested by a prospective bidder, may modify the bidding documents by amendment.
- 7.2 All prospective bidders that have received the bidding documents will be notified of the amendment in writing and shall bid in accordance with the amendments issued.
- 7.3 In order to allow prospective bidders reasonable time in which to take the amendment into account in preparing their bids, the SPORTS/Administration, at its discretion may extend the deadline for the submission of bids.

8. Inspection of Resort: The bidders who wish to inspect the Resort before bidding can see the facilities by availing ship/flight from Kochi to Agatti as per published ship/flight schedule. The Administration will facilitate the visit to the extent possible and issue permission for the request. However,

cost of accommodation and transport and any other incidental expenses etc. have to be borne by the bidder.

C. Preparation of Bids

9. Language of Bid

9.1 The bid prepared by the bidder, as well as all correspondence and documents relating the bid exchanged by the Bidder and the SPORTS/Administration shall be written in the English language, provided that any printed literature furnished by the bidder may be written in another language so long as accompanied by an English translation of its pertinent passage (s), in which case, for purpose of interpretation of the bid, the English Translation shall prevail.

10. Documents Comprising the Bid

10.1 The bid prepared by the bidder shall comprise the following.

- a) Bid Form and Rent Schedule in accordance with Annex II, Form. I.
- b) Documentary evidence (Power of Attorney) stating that the person signing the bid has been duly authorized to bind the bidder to Agreement, if the bid is submitted by a company partnership firm, or any other legal entity.
- c) Documentary evidence of the person or legal entity in accordance with Annex-II, form 3.
- d) Documentary evidence of bidder's eligibility in accordance with ITB Clause 3.3
- e) Earnest Money Deposit
- f) Project Proposal/Feasibility Study as specified in Annex I
- g) Details of Assets and properties and annual reports of the business carried out by the Resort Operator
- h) Audited Statement of Accounts with Income Tax Clearance Certificate for the last five years.

11. Bid Form

11.1 The bidder shall complete and submit the Bid Form and other documents in ITB Clause 10.

12. Bid Currency

12.1 The bid value will be computed in Indian Rupees.

13. Earnest Money Deposit

13.1 The bidder shall submit Earnest Money Deposit amounting to 2.5% of the total lumpsum down payment to be made over the period of 5-10 years, issued by a nationalized bank (in India) and valid for sixty (60) days beyond bid validity.

- 13.2 Any bid not accompanied by Earnest Money Deposit in accordance with clause 13.1 will be rejected by the SPORTS/Administration as non responsive. Unsuccessful bidders' Earnest Money Deposit will be discharged or returned as promptly as possible but not later than thirty (30) days after the expiration of the period of validity prescribed in ITB Clause 14.1.
- 13.3 The successful bidder's Earnest Money Deposit will be discharged upon the bidder signing the contract and furnishing the Security Deposit pursuant to Clause 30.
14. **Period of Validity of Bids.**
- 14.1 Bids shall remain valid for a period of ninety (90) days after the date of bid opening prescribed in IFB Clause 1.8.
- 14.2 In exceptional circumstances, the SPORTS/Administration may solicit the bidder's consent to an extension of the period of validity. The request and the responses thereto shall be made in writing. A bidder granting the request will not be required nor permitted to modify its bid.
15. **Format and Signing of Bid**
- 15.1 The bidder shall prepare an original plus three copies of the bid clearly marking each "ORIGINAL" and "COPY" as appropriate. In the event of any discrepancy between them, the original shall prevail.
- 15.2 The original and all the copies of the bid shall be typed or written in indelible ink and shall be signed by the bidder or a person or persons duly authorized to bid the bidder to the contract. All pages of the bid, except for unamended printed literature, shall contained the bid SI.No, and shall contain page numbers and shall be initialed by the person or the persons signing the bid.
- 15.3 No overwriting shall be valid.

D. Submission of Bids

16. Sealing and Marking of Bids

- 16.1 The Bidder shall bind all pages of the bid in one or more volumes seal the original and each copy of the bid in separate envelopes, duly marking the envelopes as "ORIGINAL" and "COPY". The envelopes shall then be sealed in an outer envelope.
- 16.2 The inner and outer envelopes shall:
 - a) Be addressed to the Society for Promotion of Nature Tourism and Sports at the address given in IFB Clause 1.2.
 - b) Bear the name "Bid for Lease of Bangaram" and the statement "DO NOT OPEN BEFORE: 1600 Hrs on 18th August, 2010."
- 16.3 The inner envelopes shall also indicate the name and address of the Bidder to enable the bid to be returned in case it is declared "late".
- 16.4 If the outer envelope is not sealed and marked as required by ITB Clause 16.2, the SPORTS/Administration will assume no responsibility for the bid's misplacement or premature opening.

17. Deadline for submission of Bids

- 17.1 Bids must be received by the SPORTS/Administration at the Address specified under IFB Clause 1.2 no later than the time and date specified in IFB Clause 1.7.
- 17.2 The SPORTS/Administration may, at its discretion, extend this deadline for the submission of bids by amending the bidding documents in accordance with ITB Clause 7 in which case all rights and obligations of the SPORTS/Administration and bidders previously subject to the deadline will thereafter be subject to the deadline as extended.

18. Late Bids

- 18.1 Any bid received by the Administration after the deadline for submission of bids prescribed in IFB Clause 1.7 will be rejected and returned unopened to the bidder.

19. Modification and withdrawal of Bids

- 19.1 The Bidder may modify or withdraw its bid after the bid's submission provided that written notice of the modification, including substitution or withdrawal of the bids, is received by the SPORTS/Administration prior to the deadline prescribed for submission of bid in IFB clause 1.7.
- 19.2 The bidder's modification or withdrawal notice shall be prepared, sealed, marked and dispatched in accordance with ITB Clause 16.2.
- 19.3 No bid shall be modified after the deadline for submission of bids.

E. Opening and Evaluation of Bids

20. Opening of bids by the Administration

- 20.1 The SPORTS/Administration will open all bids in the presence of bidders of their representatives who chose to attend, at the time, on date and at the place specified in IFB Clause 1.8. The bidders representative who are present shall sign a register evidencing their attendance.
- 20.2 The bidders name, bid modification or withdrawals, royalty and rent, Earnest Money Deposit and such other details as the SPORTS/Administration at its discretion may consider appropriate, will be announced at opening. No bid shall be rejected at bid opening, except for late bids, which shall be returned unopened to the bidder pursuant to ITB Clause 18.1.
- 20.3 Bids (and modifications set pursuant to ITB Clause 19) that are not opened and read out at bid opening shall not be considered further for evaluation irrespective of the circumstances. Withdrawn bids will be returned unopened to the bidders.
- 20.4 The SPORTS/Administration will prepare minutes of the bid opening.

21. Clarification of Bids

- 21.1 During evaluation of the bids, the SPORTS/Administration may at its discretion ask the bidder for a clarification of its bids. The request for the clarification and the response shall be in writing, and no change in the rent or substance of the bids shall be sought, offered or permitted.

22. Preliminary Examination

- 22.1 The SPORTS/Administration will examine the bids to determine whether they are complete, whether any computational errors have been made, whether the required Earnest Money Deposit has been furnished, whether the documents have been properly signed, and the bids are generally in order.
- 22.2 Arithmetical error will be rectified on the following basis if there is a discrepancy between the unit value and the total value that is obtained by the multiplying the unit value and the variable, the unit value shall prevail and the total value shall be corrected. If there is discrepancy between words and figures, the amount in words will prevail.
- 22.3 The SPORTS/Administration may waive any minor informality, non-conformity or irregularity in a bid, which does not constitute a material deviation, provided such a waiver does not prejudice or affect the relative ranking of any bidder. Failure to submit or incorrect/incomplete submission of any one or more of the following documents/aspects

prescribed in the bidding documents shall be considered as material deviation.

- i. Evidence of eligibility
- ii. Power of Attorney
- iii. Bid Form and Rent Schedule
- iv. Evidence of legal entity/entities
- v. Currency of bid
- vi. Earnest Money Deposit
- vii. Project proposal/Feasibility Study
- viii. Company profile
- ix. Audited Financial Statement and Income Tax Clearance Certificates
- x. Format and signing of bid
- xi. Ceiling and marking of bid

22.4 Prior to the detailed evaluation, pursuant to ITB clause 23, the Administration will determine the substantial responsiveness of each bid to the bidding documents. For purpose of this clause, a substantially responsive bid is one which conforms to all the terms and conditions of the bidding documents without material deviations.

22.5 Deficiencies in any of the above requirements shall be grounds for rejection by the SPORTS/Administration, and the bid shall not subsequently be made responsive by the bidder by correction of the non conformity.

23. Evaluation and Comparison of Bids

23.1 The Administration will evaluate and compare the bids which have been determined to be substantially responsive, pursuant to ITB clause 22.

23.2 The SPORTS/Administration's evaluation of a bid will exclude and not take into account any additional documentation, or information other than those specifically requested in Bidding Documents.

23.3 The following merit point system for weighing evaluation factors shall be applied.

Rent	-	-	-	-	-	60
Environmental aspects				-	-	10
Dedicated mode of transport provided by Bidder				-	-	20
Staffing, staff service and human resource						
Development plans of the Bidder				-	-	10

Total 100

23.4 The bidders will be awarded grades (I, II, IIIetc) on each factor mentioned above and bidder grade-I will be awarded 100% of the merit point allotted, bidder grade-II 80% merit point allotted, bidder grade-III

70% of merit point allotted, Bidder grade-IV 60% of merit point allotted and Bidder grade-V 50% of merit point allotted and so on.

23.5 The bid scoring the highest merit points subjected to ITB clause 24.1 will be determined as the highest evaluated bid.

24. Preference

24.1 For each Lakshadweep bidder, the SPORTS/Administration will grant 10% of the total points scored pursuant to ITB clause 23.4. In the comparison of evaluated bids, the SPORTS/Administration will grant first preference to Lakshadweep bidders followed by joint ventures between Lakshadweep and other Indian Bidders followed by exclusive Indian bidders, followed by foreign bidders, respectively, where the bidders have scored equal points pursuant to ITB 23 and 24.

25. Contacting the Administration

a) Subject to ITB Clause 21, no bidder shall contact the SPORTS/Administration or any of its employees on any matters relating to its bid, from the time of the bid opening to the time the contract is awarded.

25.1 any effort by a bidder to influence the SPORTS/Administration its decisions on bid evaluation, bid comparison, or contract award may result in the rejection of the bidder's bid.

F. Award of Contract

- 26. Post qualification.
 - 26.1. In the absence of pre-qualification, the SPORTS/Administration will determine to its satisfaction whether the bidder that is selected as having submitted the highest evaluated responsive bid is qualified to perform the contract satisfactorily, on the basis of the documents submitted by the bidder and such other information deemed necessary and appropriate by the SPORTS/government.
 - 26.2. An affirmative determination will be a pre-requisite for award of the contract to the bidder. A negative determination will result in rejection of the bidders' bid.

- 27. Award Criteria
 - 27.1. Subject to ITB clause 28, the SPORTS/Administration will award contract to the successful bidder whose bid has been determined to be substantially responsive and has been determined to be the highest evaluated bid in accordance with clause 23.4, provided further that the bidder is determined to be qualified to perform the contract satisfactorily.

- 28. The SPORTS/Administration's right to accept any bid and to reject any or all Bids.
 - 28.1. The SPORTS/Administration reserves the right to accept or reject any bid and to annul the bidding process and reject all bids at any time prior to contract award, without thereby incurring any liability to the affected bidder(s) or any obligation to inform the affected bidder(s) of the grounds for the SPORTS/Administration's action.

- 29. Notification of Award.
 - 29.1. Prior to the expiration of the period of the bid validity, the SPORTS/Administration will notify the successful bidder in writing, that its bid has been accepted.
 - 29.2. Upon the successful bidder's furnishing of the Security Deposit pursuant to ITB clause 30, the SPORTS/Administration will promptly notify each unsuccessful bidder and will discharge the Earnest Money Deposit, pursuant to ITB Clause 13.2.

- 30. Security Deposit
 - 30.1. Within thirty (30) days of the receipt of notification of award from the SPORTS/Administration and prior to signing of the Lease Agreement, the successful bidder shall furnish the Security Deposit in accordance with the

Lease Agreement, in the Security Deposit Form (Annexure II, Form 2) provided in the bidding documents or in another form acceptable to the SPORTS/Administration.

30.2. Failure of the successful bidder to comply with the requirement of Cause 30.1 or Clause 31.2 shall constitute sufficient grounds for the annulment of the award.

31. Signing of Contract.

31.1. At the same time as the SPORTS/Administration notifies the successful bidder that its bid has been accepted, the SPORTS/Administration will send the bidder the Draft Lease Agreement provided in the bidding documents, incorporating all agreements between the parties, and effecting the necessary and appropriate changes to the Draft Lease Agreement.

31.2. Within thirty (30) days of notification the successful bidder shall sign the Agreement.

Annex I – Required Contents of the Project Proposal/Feasibility Study

These basic requirements outlined below are provided to assist and guide bidders in the preparation of the bids. All bidders should adhere to the format and cover all aspects specified in these guidelines. Failure to do so may disadvantage bidders during detailed evaluation.

This section should cover the following areas:

- i) method of energy generation and conservation;
- ii) method of water production and conservation;
- iii) method of sewage and waste water disposal;
- iv) method of garbage collection and disposal;
- v) general description of what would be done to conserve the flora and fauna;
- vi) Dedicated Mode of Transport.

ANNEX II – SAMPLE FORMS

Form 1: Bid Form and Rent Schedule

To

Managing Director
Society for Promotion of Nature Tourism and Sports (SPORTS)
Administration of the Union Territory of Lakshadweep
Kavaratti – 682 555.

Dear Sir/Madam,

Having examined the bidding documents, the receipt of which is hereby duly acknowledged, we the undersigned, offer to take on lease and operate the Bangaram Island Resort for a total lease rent of *(total lease rent for a period of ten years in words and figures)* for a period of ten years follows.

A. Fixed Lumpsum Down Payment. (Royalty)

Year 1.	[amount in words and figures]
Year 2.	[amount in words and figures]
Year 3.	[amount in words and figures]
Year 4.	[amount in words and figures]
Year 5.	[amount in words and figures]
Year 6.	[amount in words and figures]
Year 7.	[amount in words and figures]
Year 8.	[amount in words and figures]
Year 9.	[amount in words and figures]
Year 10.	[amount in words and figures]

B. Recurring payment on quarterly basis as a percentage of gross turnover (Rent) [%] of Gross turnover subject to minimum of 33 $\frac{1}{3}$ % of the gross turnover without deducting any form of tax.

We undertake, if our Bid is awarded, we will obtain the guarantee of a bank in a sum equivalent to the first year lumpsum down payment in the form prescribed by the SPORTS/Administration.

We agree to abide by this bid for a period of ninety (90) days from the date fixed for bid opening under Clause 14 of the Instructions to Bidders, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Until a formal Agreement is prepared and executed, this bid together with your written acceptance thereof and your notification of award, shall constitute a binding contract between us.

We confirm that we have not in anyway been associated, in the preparation of this bid, directly or indirectly, with an employee of the SPORTS/Administration of the Union Territory of Lakshadweep.

We understand that you are not bound to accept the highest or any bid you may receive.

Dated this day of 2010.

[*Signature*]

[*in the capacity of*]

Duly authorized to sign bid for and on behalf of

BIDDING DOCUMENTS

LEASE FOR THE OPERATION OF BANGARAM ISLAND RESORT

Society for Promotion of Nature Tourism and Sports (SPORTS)
Administration of the
Union Territory of Lakshadweep
Form 2: Security Deposit

To

Managing Director
Society for Promotion of Nature Tourism and Sports (SPORTS)
Administration of the Union Territory of Lakshadweep
Kavaratti – 682 555.

Dear Sir/Madam,

WHEREAS (name of Bidder) (hereinafter called “the Lessee”) has undertaken, in pursuance of the Agreement attached with the Notification of Award letter No.(reference number of the letter) dated to operate the Bangaram Island Resort (hereinafter called “the Agreement”).

AND WHEREAS it has been stipulated by you in the said Agreement that the Lessee shall furnish you with a bank guarantee by a reputable bank for the sum specified therein as security for compliance with the Lessee’s performance of obligations in accordance with the Agreement.

AND WHEREAS we have agreed to give the Lessee a guarantee.

THEREFORE WE hereby affirm that we are Guarantors and responsible to your, on behalf of the Lessee, up to a total of (amount of the guarantee in words and figures), and we undertake to pay you, upon your first writing demand declaring the Lessee to be in default under the Agreement and without cavil or argument, any sum or sums within the limits of (amount of guarantee) as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

This guarantee is valid until the date of (year)

Signature and seal of the Guarantors.

.....
(name of bank or financial institution)

.....
address

.....
date

Form 3: Documentary Evidence of Person or Legal Entity.

1. Name of Bidder.
(indicate whether an individual, partnership or company)

2. If the Bidder is an individual.
 - I. Present Address :
 - II. Permanent Address :
- III. Attach a copy of passport or other such identification.

3. If the bidder is a partnership, state:
 - I. Capital outlay :
 - II. The partners :
 - III. Name of partner address of partner % share
 - 1.
 - 2.
 - 3.

- IV. Date of registration of business.
- V. Date of commencement of business.
- VI. Attach copy of partnership agreement which has been duly registered with the concerned authorities.
4. If the bidder is a company:
 - I. Registered address in full
 - II. Registration number
 - III. Place and date of registration
 - IV. Attach copy of certificate or registration of company, and articles and memorandum of association which have been registered with the Registrar of Companies or other such authorities as the case may be, in the country of incorporation.
 - V. Nominal share capital of the company
 - VI. Issued share capital of the company
 - VII. Particulars of shareholders of the company and the share holding structure.

Name of shareholder.	Address of Shareholder.	No. of share held.
1.		
2.		
3.		

- VIII. Particulars of the directors of the company:

Name of Director	Address of Director	Occupation of Director.
1.		
2.		
3.		

[Please indicate who is the Managing Director]

ANNEX III – DRAFT LEASE AGREEMENT

LEASE AGREEMENT

THIS LEASE AGREEMENT IS MADE on the day of
Two thousand and BETWEEN Society for Promotion of Nature
Tourism and Sports (SPORTS), Union Territory of Lakshadweep, Kavaratti an
autonomous Government Society registered under the Societies Registration
Act, 1860 (Act 21 of 1860) hereinafter referred to as the "Lessor" which term or
expression unless excluded by or repugnant to the subject or context shall mean
and include its successor in-office and assigns of the One Part AND
..... "Lessee" which expression shall, where the
context so admits include their successor and permitted assigns.

The following documents shall be deemed to form and be read and construed as
an integral part of this Agreement, viz:

- a. Instructions to Bidders.
- b. Bid Form and Rent Schedule submitted by the Lessee.
- c. Project proposal/Feasibility Study.
- d. Government's Notification of Award.

In case of any conflict or discrepancy between this agreement and the said
documents this Agreement shall prevail.

Within thirty (30) days of receipt of the Notification of Award, and before signing
the Lease Agreement, the Lessee shall furnish to the SPORTS/Administration a
Security Deposit equal in amount to the first year lumpsum down payment and
the Security Deposit shall be valid till the lessee makes the first year lumpsum
down payment.

Performance Security issued by a foreign financial institution should be duly
notarized.

The proceeds of the Security Deposit shall be payable to the Lessor in the event
of the Lessee's failure to take over the Resort in accordance with the agreement
and making the first year downtime payment at the time of taking over the
Resort.

The Performance Security shall be denominated in Indian Rupees.

The Performance Security will be discharged by the SPORTS/Administration and
returned to the Lessee not later than (30) days following the date of payment of
the lumpsum down payment of first year.

WITNESSETH AS FOLLOWS:

1. In consideration of the royalty and the rents and the covenants and the conditions hereinafter contained to be observed and performed on the part of the lessee, the Lessor do hereby agree to grant, transfer and demise by way of lease to the lessee all those buildings, structures, fittings, yards and gardens, more particularly described in the Schedule attached herewith and situated at the Island of Bangaram in the Union Territory of Lakshadweep, together with the licences relating thereto and the business carried therein (hereinafter referred to as 'the Resort') TO HOLD THE SAME unto the lessee for a term of Ten years commencing on the day of On the terms and conditions hereinafter contained.

2. IT IS HEREBY AGREED AND DECLATED BETWEEN the Lessor and Lessee that the resort shall be used only for the purpose of a residential resort hotel and for such further purposes as may be permitted by the Lessor.

3. The Lessee here by covenants with the Lessor as follows:
 - a) to pay a fixed lumpsum down payment (royalty) at the rate,
 - Year 1:
 - Year 2:
 - Year 3:
 - Year 4:
 - Year 5:
 - Year 6:
 - Year 7:
 - Year 8:
 - Year 9:
 - Year 10:

payable in advance, at the time of the execution of this agreement and royalty for the subsequent period shall be paid in advance annually.
 - (b) to pay rent calculated at the rate of percent of the gross turnover of the Lessee for operation of the said resort payable in quarterly installments without deducting any amount as tax or any other services.
 - (c) to keep and maintain the Resort and all additions thereto and its precincts, fittings and fixtures in good and tenable repair and condition;
 - (d) to ensure that the Lessee's employees and the Resort guests and visitors comply with the environmental guidelines prescribed by the Lessor from time to time; and to observe such commitment agreement or term as provided in this agreement for the lease signed between the lessor and the lessee.

- (e) to replace such of the lessor's fixtures, fittings etc., specified in the Schedule hereto as may during the Lease, become worn out, lost or become unfit for use by substituting others of a like nature and equal value as at the commencement of this agreement for lease;
- (f) to permit the Lessor or his duly authorized agents with or without workmen and others at all reasonable time to enter upon the resort to view the condition thereof and of the fixtures and fittings therein and to take inventories of such fixtures and fittings;
- (g) at the Lessee's expense, to insure and keep insured in the joint names of the lessor and the lessee the demised property against loss or damage by fire and explosion, flood and other risks and special perils normally insured under a comprehensive policy on property of the same nature as the resort and to pay all premiums necessary for the purpose;
- (h) to use the Resort or cause or permit the same to be used as a residential resort hotel with a licenced bar and to keep the same or cause the same to be kept open as such during all lawful hours and to conduct the business thereof or cause the same to be conducted in a lawful and orderly manner so as to maintain and extend such business;
- (i) not to assign, sub lease or part with possession of the resort or any part thereof without the previous written consent of the lessor.
- (j) on termination of the tenancy to yield up the resort and all additions thereof (if any) with the lessor's fixtures and fittings specified in the schedule hereto in good and tenantable repair and condition and to remove all property belonging to the lessee.
- (4) The lessor hereby covenants with the lessee as follows:
 - (a) to provide the lessee with 38 (Peak) K/W electricity and 25 K/L fresh water, per day, on condition that the lessee shall be liable to pay the lessor such amount as may be fixed from time to time for the above supply and services, by the Lakshadweep Administration.
 - (b) during the period of the lease to assure/secure for the use of the lessee, their employees and guests, the unhindered use of the land and precincts presently occupied by the Resort as also the lawful and peaceable use of the beaches other public lands; lagoons, reefs etc. of the said Bangaram Island.
 - (c) to extend all reasonable co-operation and assistance to the lessee, without affecting its commitments to the islanders, their employees and guests for obtaining the necessary permissions from the authorities for visiting the Resort and residence thereon.
 - (d) to render all possible assistance and co-operation for the construction of additional structures and modifications strictly adhering to the environmental guidelines provided prior approval is obtained from the appropriate authority.

- (e) to secure for the lessee necessary licences or permissions as may be required from time to time for lawful conduct of the business of a Resort Hotel including the Bar Licence at the lessee's cost;
 - (f) to assist the Lessee in obtaining Boats/Vessels/Vehicles etc., from the Administration of the Union Territory of Lakshadweep and or from the residents of the said territory for the transportation of the guest and the employees at Agatti island and also to and from Agatti Island on condition that the Lessee makes prompt payment for all such supplies and all services at the prevailing market rate;
- (5) The lease may be terminated by the lessor if:-
 - (a) the lessee fails to keep, observe or perform any covenant, agreement, term or provision agreed to be observed or performed by him and such default continues for a period of three months after notice thereof by the lessor; or
 - (b) the lessee fails to remit royalty and/or rent as provided herein and such default continues for a period of 60 days after notice thereof by the lessor.
 - (6) The lease may be terminated by the lessee if:-
 - (a) By reason of Government Regulation, action or in-action, non-availability of adequate sea/air transports, civil riot or agitation or hindrance or difficulty in obtaining permits to visit and reside at the Resort, it becomes impossible to carry out the operations of the Resort, or
 - (b) The lessor fails to keep, observe or perform any covenant agreement, terms or provision agreed to be observed or performed by him and such default continues for a period of three months after notice thereof by the lessee;
 - (c) If on account of accident or disaster the Resort is substantially destroyed or damaged and the lessee is unable to operate and run the resort profitably, provided that the lessee may in the alternative require the lessor to suspend payment of royalty and minimum rent until the damage is repaired and the resort is put back into the condition where it can be operated.
7. Subject to the approval and permission of the lessor, the lessee may undertake additional constructions or re-construction of the existing facilities, strictly in adherence to the environmental guidelines issued by the appropriate authority, at his cost. On expiry of the lease period the said additional structure of facilities if any, shall become the property of the lessor and the lessee shall have no right to demand any compensation or value for the said structures.
 8. The failure of either party to insist upon a strict performance of any of the terms or provisions of this contract shall not be construed as a waiver or as a relinquishment for the future of such terms, provision, option, right or remedy but the same shall continue and remain in full force and effect.
 9. In case the Lessee opts to continue the lease arrangements for a further period of 5 years after the expiry of initial 5-10 years period of this lease

deed, he may apply for the renewal of the lease suggesting his terms and conditions at least six (6) months before the expiry of the period of this lease. No further extension of lease will be allowed beyond 15 years at one stretch.

10. The lessee hereby agrees to establish sewage and waste water disposal system, rain water production and conservation apparatus, solar energy generation and conservation including solar water heating systems, garbage collection and disposal methods with their own investment, abiding by the environmental guidelines and with prior approval of the Lakshadweep Administration.
11. The lessee hereby agree to pay all local Taxes and Assessments in accordance with law.
12. The lessee hereby agree to render all assistance and co-operation to the lessor or other Governmental Department/Bodies/Authorities to enter into the resort and in discharging their duties and responsibilities including the maintenance of law and order.
13. The lessee shall not use the resort for any other purpose except what has been stated in clause 3(h) and specially shall have no right to open a Casino or Cabaret.
14. The lessee hereby agrees that he, his employees and guests shall abide by all laws applicable to Lakshadweep, and with rules framed by the Administration of the Union Territory of Lakshadweep for the conduct or tourists, from time to time.
15. The lessor and lessee hereby agree that there shall be an Annual Inspection by a team of environmental experts appointed by the lessor to ensure that the ecology of the resort is not disturbed.
16. The lessee hereby agrees that he, his employees or guests shall not tamper or remove the coconut or cut coconut trees in the Island. The lessee also agrees not to hinder free access to the village people to their land and the tree within the resort.
17. The lessor or their nominees shall have right to inspect and audit the accounts of the lessee form time to time.
18. The lessee hereby agrees to provide 80 percent of employment to the local people in connection with the resort, at any time the employment of the local people shall not be less than 28 persons.
19. The lessee hereby agrees to make as much local purchase as possible subject to supply and availability of material.
20. The lessee hereby agrees that at no point of time the number of staff and Guests based on the carrying capacity of the Island shall exceed 150 persons residing thereon.
21. If any loss occurs due to fault/negligence of the Lessee, The President of India or the lessor will not be held responsible and the lessee shall have to have to make payment for the loss to the lessor.

22. Any dispute or difference whatsoever arising between the parties to this Contract out of or relating to the construction, meaning, scope, operation or effect of this Contract or the validity of the breach thereof shall be referred to an Arbitrator to be appointed by mutual consent of both the parties herein. If the parties cannot agree on the appointment of the Arbitrator within a period of one month from the notification by one party to the other of existence of such dispute, then the Arbitrator shall be nominated by the Secretary, Department of Legal Affairs, Ministry of Law & Justice, ("Law Secretary"). The provision of the Arbitration and Conciliation Act, 1996 will be applicable and the award made thereunder shall be final and binding upon the parties hereto, subject to legal remedies available under the law. Such differences shall be deemed to be a submission to arbitration under the Indian Arbitration and Conciliation Act, 1996, or of any modifications, Rules or reenactments thereof. The Arbitration proceedings will be held at Cochin.
23. On the determination of this lease, the lessee shall deliver peaceful vacant possession of the resort and the properties described in the schedule as also the additional structures if any erected by the lessee without claiming any compensation or value thereof, to the lessor.

In witnesses whereof the parties through their respective authorized representative hereto have signed sealed and delivered this lease at Kavaratti Island in the Union Territory of Lakshadweep on the day month and year first above mentioned in the presence of.

Signed by
(Name and Designation)
For and on behalf of President of India
(LESSOR)

Signed by
(LESSEE)

WITNESSES

- 1.
- 2.

THE SCHEDULE

Structures, Fittings, Yards & Gardens, Constituting Bangaram Resort.

- | | | |
|-----|---|--|
| 1. | IP huts with internal water supply and sanitary installations, such as closets, flushing cistern, wash basin, mirror etc. as per drg. No.0/250/88 and the land 1.5 m all around the building. | 3 Nos. |
| 2. | 5 rooms tiled huts with internal water supply and sanitary installations such as closets, wash basin, mirror etc. as per drg. No.01/179/84 and the land 1.5 m all round the buildings. | |
| 3. | Four roomed tiled huts with internal water supply and sanitary installations such as closets, wash basin, Mirror etc. as per drg. No.0/207/86 and the land 1.5 m all around the building. | 4 Nos. |
| 4. | Conference hall as per drg. No.0/251/88 and the land 1.5 m all around the building. | 1 No. |
| 5. | Kitchen and dining hall with water supply installations as per drg. No.0/249/88 and the land 1.5 m all around the building. | 1 No. |
| 6. | Water Supply wells (open) | 3 Nos. |
| 7. | Pump houses along with 3 HP pump | 2 Nos. |
| 8. | Masonry over head tank (3000 litres capacity) | 1 No. |
| 9. | PVC over head tanks over masonry stage | 3000 litres
(3 Nos. of 1000 liters capacity each) |
| 10. | PVC over head tank over timber stage: | 1 No. of 1000 litres capacity. |
| 11. | Water supply distribution system connecting wells, over head tanks & huts. | As existing |
| 12. | Sanitary disposal systems through septic tank and soak pit | 7 Nos. |
| 13. | Number of fan points | 55) |
| 14. | Number of light points (low wattage PL/ |) |

	SL lamps	251)
15.	Number of plug points	78))
	power plug	10)	88) with appurtenant
16.	U.G. 3 phase DB line	0.44 KM) wiring
17.	Number of Gen. sets	2)
19.	Capacity of Gen. sets	24 KW)
19.	Total capacity	48 KW)
20.	Number of street lights (Sox lights)	21)