

Development of Vizhinjam International Deepwater Multipurpose Seaport

Note on Selection Process for Concessionaire

- Two stage process involving Qualification Stage and Bid Stage for selection of bidder/concessionaire; Request for Qualification (RFQ) and Request for Proposal (RFP), were prepared based on the Model RFQ and Model RFP documents approved by Planning Commission and Ministry of Finance, Government of India.
- Project Consultants appointed following a transparent competitive selection process.
- Pursuant to Environment clearance, ICB/Global Tender/RFQ notice was issued on December 4, 2013. RFQ Fee was Rs.4,00,000 (Rupees Four Lakh). Wide publicity was given in the following print media.
 - i. International Publications; Global Editions of Economist and Financial Times.
 - ii. National Publications; Economic Times, Business Line, Business Standard, Financial Express, Malayala Manorama and Mathrubhumi.

Copy of Advertisements are enclosed as Annexure A

- Email and written communication to various International and National Infrastructure Players were made. Detailed mail attaching project information memorandum and RFQ details was sent to a large number of potential investors and bidders. Embassies and their respective trade organisations were informed.
- **Road show** conducted on 16th Jan 2014 at Mumbai ; Attended by Minister for Ports, Government of Kerala, Vice Chairman & Member, State Planning Board, officials of GoK/VISL and Project Consultants. Attended by Infrastructure Companies, Port Operators and representatives of Foreign Embassies and respective trade organisations.

- **Two Pre-Application Conferences** were held on 22nd January 2014 and 11th February 2014 at Trivandrum. The conference was represented by prospective bidders. Adequate time provided to applicants for preparation of application.
- Five (5) applicants submitted their Qualification application by 10th March 2014 due date. All were shortlisted strictly based on the financial and technical qualification set in the RFQ document:
 - i. ADANI Ports & SEZ Ltd.
 - ii. Concast – Hyundai Consortium
 - iii. ESSAR Ports Ltd.
 - iv. Gammon Infrastructure Projects Ltd.
 - v. SREI – OHL Consortium
- RFP, Draft Concession Agreement (DCA) and Manual of Specifications and Standards approved by Government of Kerala were issued to the shortlisted applicants, who remitted the document fee of Rs.8,00,000 (Rupees Eight lakh).
- The three bidders **M/s ADANI Ports & SEZ Ltd, M/s ESSAR Ports Ltd, M/s SREI – OHL Consortium** were issued with bid documents on remitting the document fee.
- For the benefit of all the applicants, **one session on technical aspects** of the project on 03rd Jun 2014 at New Delhi and **one session on financial and legal aspects** of the project were conducted on 9th July 2014 at Mumbai.
- **Three Pre-bid meetings** for bidders who purchased the RFP were conducted during the bid stage on 21st May 2014 (New Delhi), 14th July 2014 (Mumbai) and 17th Nov 2014 (Mumbai).
- The session and the pre-bid meetings were attended by bidders. The bidders' queries in respect of the project as well as bidding documents were responded appropriately and adequate time as per RFP was provided for submitting the financial bid. Addenda to the RFP and DCA were sent to the bidders by email and post.

- The bid due date for the project was extended on multiple occasions. Pursuant to the approval of VGF on 3rd Feb 2015, the Bid Due Date was fixed to 20th February 2015. Since no bidder submitted bids, the Bid Due Date was extended.
- During the extended period, as decided by 34th Meeting of Board of Directors, VISL, the Honourable Chief Minister, Chairman VISL discussed with all the three bidding companies to instil confidence and to identify concerns if any, for consideration within the legal framework of the bid process. A **fourth Pre-bid meeting** was conducted on 9th March 2015 at Mumbai. Concerns and queries with respect to the project and bidding documents were raised by bidders; the same were suitably addressed and responded to within the legal framework of the bid process. Consequently, the Bid Due Date was set on 24th April 2015.
- Up to the closing time of Bid Submission, only one qualified bidder M/s Adani Ports & Special Economic Zone Limited submitted its bid.
- The Bid Opening Committee opened the bid at the scheduled bid opening time of 5:30 PM. The bids were evaluated by the Project Consultants (M/s Ernst & Young, Financial Consultant & Transaction Advisor and M/s HSA Advocates, Legal Advisor).
- The bid documents/submissions are found to be in conformity with the RFP requirement and are hence responsive. The authenticity of the bid bond was confirmed by the bank.
- The Grant sought by the bidder M/s Adani Ports & Special Economic Zone Limited is INR 1,635 crore (Rupees One thousand six hundred and thirty five crore only).
- The bid was placed before Empowered Committee with opinion and recommendations of Project Consultants, Law Department, GoK and Stores Purchase Department, GoK. The Empowered Committee discussed the bid process conducted and the opinions and recommendations.

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- The Committee after detailed discussions, decided to recommend to Board of Directors of VISL and Government of Kerala to accept the bid submitted by M/s Adani Ports and Special Economic Zone Ltd and issue the Letter of Award (LOA).
- The Decision of Empowered Committee was placed before Board of Directors, VISL. The Board approved the recommendation and decided to recommend the same to Government of Kerala.