

DEVELOPMENT OF OLD AGE HOME AT SECTOR - IV, ROHINI ON PPP

Minutes of Meeting

July 20, 2010

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| Date | 9th July 2010 |
| Venue | Conference Room, Office of Department of Social Welfare, Near Delhi Gate, Delhi |

| LIST OF PARTICIPANTS | |
|-----------------------------|---|
| 1 | Peoples Association for Total Help & Youth Applause |
| 2 | The Lakshya Bhartee Foundation |
| 3 | Quality Edge Consortium |
| 4 | Modi Care Foundation |
| 5 | Tania |
| 6 | Shri Delhi Gujarati Samaj |
| 7 | Agarsen Charitable Society (regd) |
| 8 | CCS |
| 9 | Sethi Trust |
| 10 | Oreon Builders |
| 11 | Prabhatam Buildwell Ltd |
| 12 | R.G Trust |
| 13 | All India Women's Conference |
| 14 | G4S Security Services |

SECTION A - CLARIFICATIONS TO QUERIES

| | QUERY | CLARIFICATION |
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| 1 | High Networth Route as per Clause 3.2.5 of the RFP allows Bidders to | Clause 3.2.5 revised as shown in Section B below |

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| | undertake the project even without any social welfare experience, as the involvement of technically qualified party is at a very later stage. | |
| 2 | Can the SPV created for the Project be a Not for Profit Company? | The SPV created for undertaking the Project may be a Society or a Not for Profit Company. The shareholding requirements of the Not-For-Profit Company given in Section B below. |
| 3 | Is there any specification on the capacity to be created in the home? | Though the total capacity of the home could be much higher, a minimum threshold capacity of the home is being defined as 105 seats. This means the Old Age Home, including the Reserved and Non-Reserved Seats must have a minimum capacity to accommodate atleast 105 Residents. |
| 4 | The minimum room area of 150 sq ft mentioned in the Schedule E (a) of the Draft Concession Agreement, is it carpet area of Super built up area? | The Schedule E (a) of the Draft Concession Agreement has been revised as mentioned in the Section B below. |
| 5 | In Schedule E, it is mentioned that Concessionaire is required to provide clothing to residents. When the residents under Non-Reserved Seats may be taken in on payment basis, it is assumed that they have paying capacity, in which case, it is really not necessary that they may require clothing to be provided. Hence, it is requested to remove the mandatory provision of clothing in the Old Age Home by the Concessionaire. | The condition to provide mandatory clothing to residents shall be applicable only to residents on Reserved Seats. Clause revised as shown in Section B below. |
| 6 | Can the Proposal Due Date be extended | The Proposal Due Date is extended to 9 th August 2010 till 1500 hrs. |
| 7 | What kind of commercial operations is allowed in the areas permitted as mentioned in Clause 3.1.2 (g) of the Concession Agreement | The facility to utilize portion of BUA for commercial operations is given under the Delhi Master Plan – 2021. Hence, whatever is considered to be ‘commercial’ as per the Delhi Master Plan – 2021 shall be allowed in the given portion of total BUA. |
| 8 | If the Concessionaire is ready to make all seats in Old Age Home free of charges, will the Concessionaire be allowed to nominate candidates on all seats instead of giving any seats to DSW for nomination of destitutes | No, Reserved Seats free of any charges has to be provided to DSW. On the Non-Reserved Seats, the Concessionaire is free to charge or not charge the candidates. |
| 9 | Can DSW give an idea of what will happen to the Old Age Home after 30 years? | At the end of Concession Period of 30 years, the Old Age Home and all project assets shall be transferred back to DSW. |
| 10 | Is sub-leasing allowed in the Project? | Sub-leasing shall be allowed but only in the area under the commercial operations. No sub-leasing will be permitted in the area for old age home activities. |
| 11 | Who will bear the medical expenses of Residents under Reserved Seats? | The medical expenses of Residents under Reserved Seats shall be borne by the Concessionaire. If the resident has to be hospitalized, the responsibility of the Concessionaire shall be to bring the resident to the Government run hospital. |
| 12 | If Concessionaire realizes the demand for the facility is lesser than expected, will phasing of construction of the Home be possible? | The minimum accommodation capacity as stated in the Agreement shall have to be created within the timeline as stated in the Concession Agreement. |

SECTION B – CORRIGENDUM TO RFP DOCUMENT

I. RFP SECTION I – INFORMATION TO BIDDERS

1.1.3 An agreement (the “**Concession Agreement**” or the “**Agreement**”) will be drawn up between Department of Social Welfare (hereinafter referred as “**DSW**”) and the Concessionaire [i.e. the SPV, in the form of Society or Not-For-Profit Company, as formed by the either the individual / single Bidder or Consortium, whichever acknowledged as the Successful Bidder”] on PPP basis. The Successful Bidder shall be required to form an SPV for undertaking the Project. Incomes from the Project will accrue to the SPV (the “**Concessionaire**”) during the Concession Period.

1.1.2 This Request for Proposal (**RFP**) document is for the planning, designing, engineering, finance, construction, development, operation and maintenance of an Old Age Home at Rohini, Sector IV, Delhi through Public Private Partnership mode on Design, Build, Operate & Transfer (**DBOT**) basis for a concession period of 30 (thirty) years. The Old Age Home should have a capacity to accommodate minimum 105 (one hundred and five residents) at any time.

3.2.5 High Networth Route (HNR)

Prospective Bidders having Net-worth of Rs 15 crores (Rupees fifteen crores) or above, as on 31st March 2009 (“the **High Net-worth Entity**”) shall be exempted from the above stated “**Technical Capability**” in Article 3.2.4. However, such Bidders shall have to demonstrate this net worth independently.

The Consortium / High Net-worth Entity shall furnish the undertaking that if selected to undertake the Project, it shall enter into an agreement for entrusting its operations & maintenance obligations to an entity having the experience as specified in Article 3.2.4 (a)(i) for a period of at least 5 (five) years from the date of commencement of operations of the Project, and intimate DSW about such engagement prior to the signing of concession agreement failing which DSW shall be entitled to cancel the award and the provisions of Clause 4.13 shall apply.

4.10.2 In **Stage – II** of evaluation, the Financial Bids in Envelope 3 of only those Bidders who have passed Stage I shall be opened by DSW in presence of the nominees of the Bidders, who choose to attend the same. Bidders shall be ranked H1, H2, H3 etc. in decreasing order of their financial offers. The selection will be made on the basis of the highest number of Free Seats (H1). The Bidder quoting the highest number of Free Seats will be invited to sign the agreement. (the “**Successful Bidder**” or the “**Selected Bidder**”).

4.13.1 The Successful Bidder is required to sign the Concession Agreement within 30 days of conveying his acceptance of the LOI to DSW in writing. But prior to signing of the Agreement, the Bidders must satisfy the following conditions. DSW shall not execute the Concession Agreement until these conditions have been satisfied.

- ✓ The Successful Bidder, has formed an SPV, registered...
- ✓ The Successful Bidder has submitted the requisite Performance Security...

- ✓ The Successful Bidder has submitted to the Concessioning Authority...
- ✓ The Successful Bidder has provided an undertaking...
- ✓ The Successful Bidder, if eligible using High Network Route, shall be required to submit to DSW the Tie-up Document for tie up with entity with which the Concessionaire shall enter into an agreement for entrusting its operations & maintenance obligations as per Clause 3.2.5. Tie-up Document shall mean a letter (on stamp paper) stating that the said entity shall be entering into agreement with the Bidder for carrying out the operations & maintenance obligations of the Concessionaire under the Project for a period not less than 5 (five) years starting from the Operations Commencement Date.

(H) Format of Joint Bidding Agreement

6. For the purpose of execution on award of the Bid, the Parties will set up an SPV. If the SPV is registered as a Society under the Societies Registration Act, 1860 the membership pattern of SPV shall consist of __members to be provided by ____, __members to be provided by ____ and __members to be provided by _____. _____ (*Lead Member*) shall maintain a minimum membership of at least 4/7th(four-seventh) of the total membership of the SPV till the Construction Completion Date or a period of 2 (two) years from the Effective Date, whichever is later, and 2/7th(two-seventh) thereafter till the end of the Concession Period. Other members of the Consortium shall hold a minimum membership of 1/7th (one-seventh) in the SPV at all times during the Concession Period. If the SPV is registered as a Not-For Profit Company under the Indian Companies Act, 1956, _____ (*Lead Member*) shall hold not less than 51 % (fifty one per cent) of the paid up and subscribed equity of the SPV till the Construction Completion Date or a period of 2 (two) years from the Effective Date, whichever is later, and 26 % (twenty six per cent) thereafter till the end of the Concession Period. Other members of the Consortium shall hold not less than _____ % of the paid up and subscribed equity of the SPV at all times during the Concession Period. On successful award of the contract, the SPV shall enter into agreements with Department of Social Welfare, which shall specify the terms and conditions of the development of the Project (“Concession Agreement”) and shall carry out all the responsibilities in the terms of the Concession Agreement.

II. RFP SECTION II - DRAFT CONCESSION AGREEMENT

This AGREEMENT is entered into on this the [] day of [] (Month), 2010 at Delhi

BETWEEN

1. **The Governor** for and

AND

2. _____, (a Society registered under Indian Societies Act 1860 / Not For Profit Company registered under Indian Companies Act 1956) represented by its _____ and having its registered office at _____ (hereinafter referred to as the '**Concessionaire**' which expression shall, unless the context otherwise requires, include its successors/ successors in business and permitted assigns and substitutes) of the Other Part.

"Effective Date" means the date 6 (six) months after the Agreement Date or an earlier date that the Parties may by mutual consent determine, and shall be deemed to be the date of commencement of the Concession Period

2.1.1 The Concessionaire shall Design, Build, Finance, Operate and Maintain an Old Age Home with a minimum capacity of 105 seats on the Project Site earmarked for the purpose over the Concession Period of 30 (thirty) years, after which the Facility shall be transferred back to the Concessioneing Authority. The Site shall be provided to the Concessionaire on lease, as per the provisions of the Lease Deed and the Agreement. The Site, along with all the Project Assets shall be transferred to the Concessioneing Authority at the end of the Concession Period.

5.1.2 The Concessioneing Authority shall have:

- i. Procured for the Concessionaire the peaceful possession of the Site as demarcated under Schedule A.
- ii. Give comments/ observations (if any) to the concept plan submitted by the Concessionaire under Article 2.4(c)(i), within a time period of 20 (twenty) days from the date of its receipt. Failure to do so will be considered deemed approval of the concept plan by the Concessioneing Authority
- iii. Give approval to the amended concept plan within 5 (five) days from the date of its receipt

5.1.3 The Conditions Precedent required to be satisfied by the Concessionaire prior to the Effective Date shall be deemed to have been fulfilled when the Concessionaire shall have:

- (a) Prepared a concept plan for the Project and preliminary project cost estimates, including the area statement, block drawings, details of services to be so provided and as incorporated in the concept plan as per the applicable local byelaws, norms, etc and submit to the Concessioneing Authority for its approval, whereby meeting all the requirements mentioned herein, apart from all other requirements of this the Concession Agreement in the concept plan within a period of 120 (one hundred and twenty) days from the Agreement Date.
- (b) Incorporated the necessary suggestions / amendments proposed by the Concessioneing Authority in its concept plan, within a period of 10 (ten) days from the date of receipt of such suggestions from the Concessioneing Authority and submit again for approval.
- (c) executed and procured execution of the Substitution Agreement;
- (d) procured all the Applicable Permits unconditionally or if subject to conditions then all such conditions shall have been satisfied in full and such Applicable Permits are in full force and effect;
- (e) executed the Financing Documents and delivered to Concessioneing Authority 3 (three) true copies thereof, duly attested by a Director of the Concessionaire;
- (f) delivered to Concessioneing Authority 3 (three) true copies of the Financial Package and the financial model, duly attested by a Director of the Concessionaire, along with 3 (three) soft copies of the financial model in MS Excel version or any substitute thereof, which is

acceptable to the Senior Lenders;
Provided that upon request in writing by the Concessionaire, the Concessioneing Authority may, in its discretion, waive any of the Conditions Precedent set forth in this Clause 5.1.3

6.1.9 (l) not take deposits, advance money, grants from entities in lieu of allotment of seats or area in Old Age Home, before Operations Commencement Date.

(m) take responsibility of regular medical expenses of Residents under Reserved Seats. However, if the Resident under Reserved Seat needs to be hospitalised, the responsibility of the Concessionaire shall be to bring the Resident to Government run hospital;

11.1.1 The Concessioneing Authority shall give on lease to the Concessionaire, the Project Site as per the terms and conditions set forth in this Agreement.

18.1.3 The Concessionaire shall not create nor permit to subsist any Encumbrance over the Project Site, except as envisaged under this Agreement and the Lease Deed.

18.1.4 Restraint set forth in Article 18.1.1, and Article 18.1.3 above, shall not apply to:

(a) Pledges / hypothecation of goods...

(b) Assignment of Concessionaire's rights ...

(c) Sub-leasing in the area of the Old Age Home which is being used for commercial operations as per Clause 3.1.2 (g). It is clarified that sub-leasing shall not be permitted in the area of Old Age Home which is created for and used by Residents of Old Age Home.

18.1.5 It is further clarified that the Project Site has to be handed over to DSW at the end of the Concession Period free of all encumbrances; therefore, any assignment or sub-lease on the Project Site and Project Facilities shall expire upon termination of this Agreement.

III. RFP SECTION III – INFORMATION TO BIDDERS

E. Services to be rendered by the Concessionaire

a) **Lodging:** Concessionaire shall provide accommodation to the Residents and would include the arrangements for sleep, rest, safety and shelter from weather. Concessionaire shall accommodate not more than 3 persons in one room. The equipment to be provided in a typical room has been attached as Annexure I to this Schedule. The minimum carpet area required in rooms for lodging purpose for Senior Citizens under Reserved seats is 150 sqft per

Resident. This shall include the area for attached bathrooms.

c) **Clothing:** The Concessionaire shall procure 5 sets of attire for each Resident under Reserved Seat and arrange new attire every 6(six) months.