

INDIA TRADE PROMOTION ORGANISATION
F&B DIVISION

Tender Ref. No. ITPO/F&B/Exh. Cmplx./2021 dated 31/12/2021

SR. NO.	QUERY	PROPOSED REPLY/ CLARIFICATION
LICENSE FEE/ ANNUAL MINIMUM GUARANTEE (AMG)		
1.	The base price for yearly (AMG) is fixed at Rs 5.00 Crore for first year. The bidders have to quote beyond Rs 5.00 Crore. The fixed AMG amount has no rational to the expected revenue generation our market research and calculation reveals the calculation must have some basic evaluation on the basis of expected client rational to the location. In our view the fixed AMG is quite high. in view of this ITPO may consider fixed AMG to the extent of Rs 2.5 Crore and provide liberty to the bidder to quote even below the fixed AMG of 5.00 Crore.	No Change. Continue as per tender document.
2.	Page 18 item no 3i says a License fee of 5 Crores plus the escalation clauses, which is on a very high side especially in these Covid situation. The exhibition industry has a major setback of more than 90% on the business revenue and it will take a long period to be on track. When we have very less footfall of general public and very few fairs happening we would like to relax these License fee or charged on net sales generated with these F& B outlets. Also in public places with restriction like the Delhi Metro and other places the sales has declined to more than 50% and more than 20% of food outlets have surrendered due to the losses. Moreover the delivery system is generally within the 3 kilometer radius does not have any clients as the location is VVIP and no nearby colonies are there nearby. When the exhibition Industry is back on track the License Fee can be charged as per your guidelines keeping in the bidder interest	No Change. Continue as per tender document.
3.	The base price for yearly (AMG) is fixed at Rs 5.00 Crore for first year. The bidders have to quote beyond Rs 5.00 Crore. The fixed AMG amount has no rational to the expected revenue generation our market research and calculation reveals the calculation must have some basic evaluation on the basis of expected client rational to the location. In our view the fixed AMG is quite high. in view of this ITPO may consider fixed AMG to the extent of Rs 2.00 Crore and provide liberty to the bidder to quote even below the fixed AMG of 5.00 Crore.	No Change. Continue as per tender document.

4.	<p>Clause 13.1 license fee is referring which has a provision of fixed license fee (AMG) or 25% of GOR whichever is higher. Clause 13(ii) The base price for yearly (AMG) is fixed at Rs. 5 Crore for first contractual year. Thus, Bidder's have to quote beyond Rs. 5 Crore. The fixed AMG amount has no rational to the expected revenue generation, our market research and calculation reveals. The calculation must have some basic evaluation on the basis of expected client ratio to the location. In our opinion, the fixed AMG is quite high and no participant will be there, In the process, re- tender is expected. In view of this ITPO may consider fixed AMG to the extent of Rs. 2.5 Crore and or provide liberty to the bidder's to quote even below the fixed AMG of Rs. 5 Crore. In case of reducing the AMG form 5 Crore to 2.5 Crore, the bidder may quote freely for competitiveness. It is for ITPO to consider either option in its commercial interest and or afford inviting bids on 15% of GOR only to avoid re- tendering.</p>	No Change. Continue as per tender document.
5.	<p>We suggested no escalation on AMG for first five years or during lock-in period keeping in view of heavy establishment expenditure.</p>	No Change. Continue as per tender document.
6.	<p>As per clause 3.2 (i) of the RFP the AMG (annual minimum guarantee) has been fixed @ Rs.5 Crore per annum which seems too high keeping in view our survey and high investment involving on the establishment of F&B outlets it should be Rs. 2 Crore. And bid amount should be left on the bidders.</p> <p>Further, the year vise escalation may not be increase during the lock in period i.e. 5 years due to heavy investment on the establishment, beautification of the F& B outlets by the licensee. Further the AMG must be increased by 5% for next five years and 7% thereafter for 5 years.</p> <p>The above suggestion for made on the basis of market survey and experience shared by the ex licensee at the Pragati Maidan.</p> <p>Example</p> <p>If ITPO organized 125 to 130 fair in a year including the fairs organized by third parties fair organizer.</p> <p>Then the expected sale comes to Rs. 8 Crore approximately, in which the sale includes our brand partners also, excluded then our net sale after taken brand partners commission comes to Rs. 5 Crore.</p>	No Change. Continue as per tender document.

	<p>After excluding the cost involving towards raw materials, labour, electricity charges, PNG charges, ac charges, conservancy charges, office exp, miscellaneous exp, etc. The net estimated profit comes to Rs. 2.25 to 2.50 Crore.</p> <p>That is the reason we have suggestion to fixed AMG @ Rs. 2 Crore in mutual business interest.</p>	
BASE KITCHEN		
7.	<p>Sr. The tender document (RFP) there is no mention of base kitchen main kitchen which is mandatory essential requirement for operation. F&B without having proper kitchen at the fresh food may not be served in appropriate manner.</p>	<p>In the current F&B inventory put up for awarding to prospective concessionaire through this tender, there is no separate base kitchen/main kitchen. Selected F&B concessionaire may use the inventory as per his suitability, local byelaws and other T&C of the tender.</p> <p>No Change. Continue as per tender document.</p>
8.	<p>The mezzanine level fine dining outlets as mentioned in page 11 indicates that it includes kitchen, counters etc. we would like to point out that a main kitchen for all three outlet to be located in basement or other appropriate area. The kitchen generates lots of heat, fumes, smell and solid waste which hinders with the services like HVAC and drainage. We ideal need to have a centralized kitchen as in all major commercial outlets. Moreover it looks the Covid situation is going to stay and the guidelines and precautions suggest having minimum sitting which led to only 50% of capacity and by locating main kitchen somewhere else we can increase our sitting capacity and also have proper services. A small pantry/kitchen will only reheat with minimum cooking.</p>	<p>In the current F&B inventory put up for awarding to prospective concessionaire through this tender, there is no separate base kitchen/main kitchen. Selected F&B concessionaire may use the inventory as per his suitability, local byelaws and other T&C of the tender.</p> <p>Moreover, as per building byelaws', cooking is not permitted in Basement level. However, suitable areas are earmarked at 3 locations in Basement level for Back-of-the-House activities such as staff rest/F&B/changing/locker/toilets, storage, office, preparatory area, etc."</p> <p>Since each unit in mezzanine is about 800 m², wherein a kitchen (@30% area) can be built.</p> <p>No Change. Continue as per tender document.</p>

9.	As per survey conducted by our expert team it is found that your new halls. F&B outlets there is no provision of kitchen during the mega events/ exhibitions it is not possible to offer appropriate services just from live kitchen proposed by ITPO. We would suggest ITPO to consider erection of base kitchen in the vicinity of new halls for providing uninterrupted F&B services to Visitors / Participates / VIP's in Pragati Maidan.	Refer reply at Sr. No. 7 above.
DEMOLITION OF F&B KIOSKS K-11A, 11B & C AND K-12		
10.	As we are aware that second phase of Re-development program of Pragati Maidan will include demolition / construction of new hall's at hall no -11 ABC & 12. It need to be clarify that where ITPO purpose to provide us alternate site.	Please refer Corrigendum-IV.
11.	It has come to our notice that ITPO build new halls after demolishing hall 7 to 12. It appears F&B outlet 12 and 11ABC demolished, if so then alternate location /hall required to be indicated in the RFP.	Refer reply at Sr. No. 10 above.
ELECTRICITY		
12.	The electricity consumption charges are fixed @ Rs 22/- per unit meant for old hall where as the charges for the same services are fixed @ of Rs 35/- per unit for new halls. ITPO being govt. organization may not charge different charges for the same services and may not bag profit on this account. The licensee has to maintain electricity installation in site the premises and ITPO has nothing spend on this accounts.	No change. Continue as per tender document. The difference in charges w.r.t. old and new complex are due to transformation costs.
13.	Where we can locate the HVAC system in the Trapezium horse shoe shape Kiosks and status and capacity of the other services provided like drainage, PNG line etc.	The prescription of Variable Refrigerant Flow (VRF)/ Variable Refrigerant Volume (VRV) type system of air-conditioning is proposed to be dropped. The licensee may deploy Air Conditioning system as per their suitability with prior written permission from ITPO.

14.	Generally all the services with appropriate points are provided by the client as it is a permanent fixture and it is not movable fixture and for sub distribution to be done by the bidders. The HVAC is very important part of the fine dining area and ITPO is suggesting having a VRV system for the same which is not practical for some technical and financial issues. But we suggest having centralized plant or connected to your existing HVAC system and you can take the necessary charges for them.	Ref reply at Sr. No. 13 above.
15.	As per Clause 11.21 The licensee its sub licensee to make their own air conditioner arrangement. We suggest, that ITPO may considered to air conditioner services to the mezzanine floor F&B outlets during the exhibition period \\-hen air conditioner is made operative for the entire hall, we are ready to pay the air conditioner charges as per the rate fixed by the ITPO.	Ref reply at Sr. No. 13 above.
16.	RFP reveals higher charges for electricity consumption, the charges for new hall and old hall also differ. In this connection, it will be in all fairness to charge electricity consumption through meter and rates will be at par to the charges being charged by the electricity supply company instead charging lump sum rates. Charging lump sum has no rational and trade practice.	Refer reply at Sr.No.12 above.
FORCE MAJEURE CLAUSE		
17.	Force majeure- with regard of covid-19 and or suitably incorporated with the applicability of notification of NDMA/ DDMA. During the pandemic period of covid-19 the unit may be closed as there will be no events in Pragati Maidan. It needs to be clarified in such eventuality how ITPO purpose to compensate loss to the licensee.	Please refer Corrigendum No. IV.
18.	Force majeure- with regard of covid-19 and or suitably incorporated with the applicability of notification of NDMA/ DDMA. During the pandemic period of covid-19 the unit may be closed as there will be no events in Pragati Maidan. It needs to be clarified in such eventuality how ITPO purpose to compensate loss to the licensee.	Refer reply at Sr. No. 17 above.

19.	Clause 27 deals with: Force- Majeure. The clause is applicable as per law. As regard, Coronavirus provision limited with the provision is void ab initio. The provision of NDMA/DDMA shall prevail for the purpose of force majeure pursuant to notification. The clause is required to be deleted with regards of covid-19 and or suitably incorporated with the applicability of notification of NDMA/DDMA.	Refer reply at Sr. No. 17 above.
CORPORATE GUARANTEE		
20.	On page 13 clarification about Corporate Guarantee and when it is going to be submitted with the tender or after award of work.	As per tender document. The corporate guarantee as per tender terms has to be submitted by the successful bidder in case of single entity and by the lead member in case of a Consortium bidder. The corporate guarantee has to be submitted by the successful bidder after award of the contract and before taking over possession of licensed premises.
LOCATION LAYOUTS		
21.	Kindly provide the necessary drawing of the outlets including with their existing service provided and indicate how the services specially the AC Ducts, drainage etc is going the work.	In the F&B outlets in Halls 1, 2-5 & 14, Horse-shoe outlets opposite Hall 2-5 & 6, non-tower area and basement lounges/pantries, only nodes of services such as electricity, plumbing, drainage, HVAC, PNG, etc. would be provided and all the internal planning and execution is expected to be carried out by the selected concessionaire as per building byelaws and T&C of the tender. Further branching of these services inside the F&B outlets need to be planned and executed by the bidder, subject to regulations of local bodies/Delhi Fire Services (DFS) and prior approval of ITPO. In the F&B outlets 11 and 12, electricity, plumbing, drainage, PNG, etc. are already installed and may be visited by the bidders, if

		<p>required.</p> <p>Please refer Addendum – I (For locations` layouts and Scope matrix of different services/ utilities)</p>
BRANDING SITES		
22.	Regarding branding at the site, where the site is licensed to a licensee the branding shall be undertaken by the licensee how ITPO purpose to charge for the branding at site despite the license fees is paid by the licensee for the entire premises.	Refer Corrigendum – IV
23.	ITPO has created house shape in front of new hall's it is to be clarified where there some required modification can be undertaken by the licensee on the glass wall.	Refer Corrigendum – IV
24.	Clause 3.14 deals with branding sites and area in each food court for trade promotion/ publicity shall be as earmarked by ITPO. The rate of branding sites will be fixed by the licensor. The charges which have not yet been disclosed for branding sites and area on each food outlet are not rational. This is in view of the fact that AMG and GOR has composite charges for providing premises including the common area facility maintenance on licensee as such charging independently will be an added cost. The branding facility on each outlet be considered as composite payment. However, if any other space is asked for by licensee, the charges will be independently charged by licensor.	Refer Corrigendum – IV
AUTOMATED VENDING MACHINES		
25.	Regarding automatic vending machine packaged snacks, in our view it is not feasible/practicable in ITPO'S mega events. We understand that such vending machine has been installed at the airport where the movement of public is limited/ slow whereas in ITPO trade fair the crowd is stable throughout the day. Also it is to mention here that these kinds of machines are being operated with help of WI-FI / Net services. Where is during mega events, jammers are used by the security agencies as such operation of the vending point will not be possible in absence of WI-FI / Net services.	Refer Corrigendum – IV
26.	The clause 3.16 deals with installation of automated vending machine dispensing packaged snacks and non alcoholic beverages at MRP at prominent location by licensee mandatorily as required by licensor. The number of installation of	Refer Corrigendum – IV

	machines required to be indicated in the RFP to enable bidders to know the cost involve for bidding in the afore-said tender.	
OUTSIDE CATERERS PERMISSION		
27.	ITPO has reserved the right to prove space other than these outlets to other venders which seems to be OK for the facilities to the VVIP clients but other than this it hinders with the essence of the bid. Some methodology can be workout to keep the vender interest.	No Change. Continue as per tender document.
28.	As you are aware that setting-up of F&B outlet may attract huge investment. Our suggestion is that no other than 4-5 star hotels may be allowed for providing catering services in Pragati Maidan if so require.	No Change. Continue as per tender document.
29.	As per page No 77 clause no 2.7, ITPO has offered to provide open / additional space if so required by the F&B licensee. However, the rates for providing such space have not been described in the RFP. Our suggestion is that ITPO may charge for such open space in demanded by the F&B licensee as and when required as per BOD prevailing rates for open space.	No Change. Continue as per tender document. Will be decided when the issue arises / case by case basis.
PERSONNEL PASSES/ PARKING PASSES		
30.	Appropriate number of passes for normal working of the F&B outlet and extra passes for Mega Fairs to provided very well in advance.	No Change. Continue as per tender document.
31.	How many entry passes you give for our personals and when mega fair organize then we Need more passes for our staff then what provision you made for entry. Same how many car /bike / commercial vehicle passes you given for smooth operation you not mentioned in RFP.	No Change. Continue as per tender document.
RIGHTS OF FIRST REFUSAL IN CASE OF TEMPORARY ALLOTMENT DURING MEGA EVENTS VIZ. IITF etc.		
32.	The ITPO has not indicated the allotment condition in the event of organizing megaexhibition/event to the existing contractor at the location other then allotted. Thus, there is a need to consider the existing contractor (successful bidder) for allotment of additional space/area for F&B considering huge investment at the premises. Thus, it would be in all fairness to consider existing party on heaving been invited the other parties for allotment of space/area during mega exhibition/ event affording first right of refusal on the rate quoted by	No Change. Continue as per tender document.

	successful bidder. This aspect needs to be incorporated in the RFP to attract more participation and competitive bidding.	
GROSS OPERATING REVENUE (GOR)		
33.	The payment clause of RFP regarding payment on quarterly basis based on AMG and GOR. There is no clarity in case of specify outlet/ outlets are not handed over to the licensee, the basis of calculation of AMG or GOR the determination of AMG or GOR required to be indicated in the RFP as bid is submitted in composite for all outlets.	Please refer Corrigendum – IV.
34.	<p>Vide clause no 3.23 “The AMG has to be paid as per the schedule defined in the RFP depending on the roll-out of the F&B location and their corresponding actual handover. The Licensee shall and shall cause the Sub-Licensee(s) to submit to the Licensor, audited statement (in the format approved in writing by the Licensor) from a Chartered Accountant on quarterly basis (to be itemized as per RFP) showing GOR and net sales earned from F&B Outlets from each of the Locations, not later than 30 (thirty) days after the end of each quarter (or part thereof where applicable). If ITPO’s proposed share of GOR exceeds the AMG value for that particular quarter, ITPO will raise invoice for the differential amount and the Licensee shall be liable to make corresponding payments within a period of 15 days from the date of issue of invoice and shall be liable to pay interest @ 9% per annum from the 16th day of issuance of the said invoice”.</p> <p>The payment of GOR, as per formula indicated whichever is higher. Fixed AMG and GOR based in annual quote is applicable. Since, the fixed AMG is payable in advance, GOR payment to be paid on finalization of annual accounts rather on quarterly basis as finalization of accounts are mandated on year end based on audited accounts. The licensee has to produce separate accounts for the project to the licensor against which demand if any will be raised to avoid accounting issue. The licensor has sufficiently assured with the provision of performance guarantee for the purpose.</p>	No Change. Continue as per tender document

PERFORMANCE GUARANTEE		
35.	<p>Performance Guarantee clause 14.1</p> <p>As per rule 171 of GFR 2017 performance security is to be obtained from the successful bidder against the contract for an amount of five to ten percent of value of the contract to ensure due performance of the contract similar provision exist in the manual for procurement of works 2019 and manual for procurement of consultancy and other service 2017.</p> <p>The Govt. of India vide office memorandum no F9/4/2020/PPD dated 12/11/2020 attached for ready reference reduced the performance security at the rate of 3%. Thus, the performance security equivalent to 12 month license fee is beyond the provision. similarly , the payment of EMD also beyond the provision prevalent</p> <p>You are requested to kindly consider afore-said submission pursuant to relevant provision and established procedure in its business interest.</p>	No Change. Continue as per tender document.
LICENSE TERM EXTENSION		
36.	<p>We suggested having arrangement of licensee period as 10+5+5 years in view of the enormous huge sums of money being invested by the selected bidder. This is also suggested in view of the fact that the bidders needs to reach at break-even point and start getting return on investment & also due to the fact that all the halls are no ready for possession.</p>	No Change. Continue as per tender document.
DEVELOPMENT PERIOD		
37.	<p>Since, for any good outlet designing usually takes time and it requires receiving various license approvals from the concerned Govt. departments and time period within which these Govt. department viz. Municipality, local police, fire etc. issues licenses of the F&B space, it was suggested to have 6 month (180 days) for development period.</p> <p>Suggested that ITPO shall align procurement of requisite licenses from various licensing departments for getting the desired permits within development period.</p>	No Change. Continue as per tender document.
LOCK-IN PERIOD		
38.	<p>The lock-in-period is required to be reduced from 5 years to 3 years.</p>	No Change. Continue as per tender document.

ADDITIONAL SPACE RENTAL		
39.	The additional space requirement allotment pursuant to clause 3.19, the applicable rent of open area/ covered area has not been disclosed. The rent charges required to be disclosed.	<p>No Change. Continue as per tender document.</p> <p>The applicable rates as per ITPO's norms at the time of allotment of any additional space/ F&B outlet shall be chargeable.</p>
MISCELLANEOUS		
40.	In RFP there is provision for grant of 25% discount on F&B services to Third party fair organizer, where is there is no any provision for grant of relief to the licensee it needs to clarify how ITPO purpose to compensate licensee for such discount being slandered to third party fair organizer. In this regard our suggestion is that this may be left on the licensee and third party organizer how the F&B services are offered and accepted by mutual consent and business interest.	No Change. Continue as per tender document.
41.	Scope of services allowed in Back of house for Hall 2 and 5 in the basement and what service points we will be getting there.	<p>No Change. Continue as per tender document.</p> <p>As per building byelaws', cooking is not permitted in Basement level. Three nos. Back-of-the-House areas have been identified at Basement level, 1 each near Hall-2, 5 and 14. These areas may be utilized for activities such as staff rest/F&B/changing/locker/toilets, storage, office, preparatory area, etc. These are only identified locations, without any construction of external/internal partitions. The selected concessionaire would be provided with only nodes of services such as electricity, plumbing, drainage, HVAC, PNG, etc. and all the internal planning and execution is expected to be carried out by the selected concessionaire as per building byelaws and T&C of the tender.</p>
42.	The water consumption charges are also required to be charged on meter reading at par to the charges applicable.	No Change. Continue as per tender document.

43.	We suggest ITPO allow/give some plus advantage to licensee like outsider visitors/ retail customer allowed in Restaurant, home delivery system by restaurant to customer, Few site to be given free to the successful bidder in F&B/common area for branding and promoting Food & Beverages., - Online Branding Exercise - Mobile application developed by Licensee for the Food Outlets or through various offers for customers on social media platforms or on internet, etc.	No Change. Continue as per tender document.
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