



Guntur, Andhra Pradesh
Dated 22nd December 2022

NOTICE

Sub: Invitation to attend stakeholders meeting in regard to the draft the modalities for development of Terminal Market Yard at Peapully, Nandyal, Andhra Pradesh in Public Private Partnership (PPP) Mode.

The Department of Horticulture, Govt. of Andhra Pradesh, intends to develop a Terminal Market Yard at Peapully, Nandyal, Andhra Pradesh in Public Private Partnership (PPP) Mode. In this regard, a stakeholder consultation has been proposed on 28.12.2022 at 2 PM through a video conference.

Project briefing:

The 29.5 acre site identified for the development of this project is adjacent to AH-43 which is part of the Asian Highway Network. The unique aspect about the site is that it is almost equidistantly located between Bangalore and Hyderabad. It is 285 km away from Bangalore and 293 km away from Hyderabad.

The terminal market yard envisaged by the Department comprises of the following components:

1. Wholesale shops – 36 Nos
2. Semi-retail shops – 20 Nos
3. Retail shops – 66 Nos
4. Ripening chamber – 6 Nos (20 MT each)
5. Pre-cooling chamber – 2 Nos (30 MT each)
6. Cold Storage – 4 chambers of 500 MT each
7. Processing Block – 1 MT/ hour
8. R.O System (50 Liters/Hr)
9. STP 20KLD
10. ETP 150KLD
11. Weigh Bridge (60MT)
12. 1.00 Lakh litre capacity OHT

The grant will be released in five instalments, commensurate with the progress of the project carried out by the private player:

- i. I instalment on completion of 25% of project - 15% of the approved subsidy
- ii. II instalment on completion of 50% of project - 20% of the approved subsidy
- iii. III instalment on completion of 75% of project - 25% of the approved subsidy
- iv. IV instalment on completion of 100% of project - 30% of the approved subsidy
- v. V instalment on completion of one year of operation of project - 10% of the approved subsidy

Draft Modalities of the PPP mode and call for suggestions from stakeholders

The land will be licensed for development purposes to the private player who will be selected through a competitive bidding process. The modalities of the PPP model which will form the basis of concessionaire agreement between the Department and Concessionaire is provided at Annexure-I.

The stakeholders interested in developing, operating and maintaining the project in PPP Mode with the Department of Horticulture, GoAP, are requested to join the meeting to provide their inputs and suggestions in the proposed draft modalities.

Prior intimation for physical visit to site:

If any stakeholder intends to visit the site prior to the stakeholder meeting, they are allowed to physically visit the site. However, the same may be done after sending an intimation, atleast 2 days prior to the visit, through an email to the Department on the following email id: shmcell.ap@gmail.com.

In addition, Shri Nagaraju, District Horticulture Officer, Nandyal, may please be intimated atleast 2 days prior to the visit over phone (Mobile : +91 7995086794)

The Geo-coordinates of the site are as follows: 15°14'53.4"N 77°44'19.1"E

Confirming participation in the Stakeholder Consultation:

Stakeholders intending to attend the video conference must confirm their participation by filling the registration form on the following link on or before 12 noon on 26 December 2022.

<https://forms.office.com/r/i2DmJWhv32>

Only registered candidates will be permitted to join the meeting. Therefore, it is mandatory to confirm participation by providing the details in the form available on the above link.

Details of the Stakeholder Consultation:

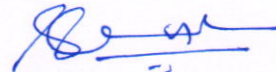
Date: 28 December 2022

Time: 2 PM (1400 hours)

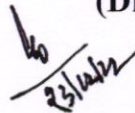
Link for the meeting: The link for the meeting shall be sent on the mobile number and the email id with which the participants register. Also, the link will be shared on the Department of Horticulture, GoAP website.

The link will be active from 1.30 PM on 28 December 2022 and therefore, participants are requested to join the link well in advance in order to overcome any last-minute technical issues.

Yours sincerely,



(Dr.S.S.SREEDHAR)



ANNEXURE-I
Terminal Market Yard – Peapully, Nandyal
Note on Transaction Structure

Draft Modalities: Term Sheet – Terminal Market, Peapully, Nandyal

This note outlines salient terms of draft of transaction structure proposed for the development of the Terminal Market at Peapully, Nandyal district.

Project Configuration

- (i) Land–29.5acres
- (ii) Mandatory Development Obligations:
 - a. Sectional Configuration of Land for
 - i. Wholesale shops – 36 Nos
 - ii. Semi-retail shops – 20 Nos
 - iii. Retail shops – 66 Nos
 - b. Ripening chamber – 6 Nos (20 MT each)
 - c. Pre-cooling chamber – 2 Nos (30 MT each)
 - d. Cold Storage – 4 chambers of 500 MT each
 - e. Processing Block – 1 MT/ hour
 - f. R.O System (50 Liters/Hr)
 - g. STP 20KLD
 - h. ETP 150KLD
 - i. Weigh Bridge (60MT)
 - j. 1.00 Lakhs litre capacity OHT

Transaction Model

- (i) PPP Model–Design Build Finance Operate Transfer(DBFOT)
- (ii) Concession Period–30 years, depending upon market feedback
- (iii) Construction period
 - a. Mandatory Development Obligations should be completed within 15 months from Appointed Date.
 - b. All construction to be completed within 18 months from Appointed Date.
- (iv) Bid Process–Single stage,2 envelope
- (v) Selection Process
 - a. Step1–Qualification based on Technical and Financial Capacity
 - b. Step2–Selection basis highest bid variable

Eligibility Criteria (Both Technical and Financial Capacity to be satisfied)

Consortium allowed–Maximum 2 members.

- (i) Technical Capacity: All the criteria below need to be fulfilled.
 - a. **Technical Capacity 1:** The Bidder shall, over the past 7 (seven) financial years preceding the Bid Due Date, have completed development of and/or operated & maintained for a continuous period of 3 years:
 - i. Minimum 10 acre of terminal market / mandi on PPP basis AND/OR

Draft Modalities: Term Sheet – Terminal Market, Peapully, Nandyal

- b. **Technical Capacity 2a:** The Bidder shall, over the past 7 (seven) financial years preceding the Bid Due Date, have:
- Paid for, or received payments for construction of Eligible Project(s) under Category 2
 - Developed / paid for development of Eligible projects under Category 1 such that the sum total of the above is more than INR 60 crore.

Where,

Category1– PPP projects in Real Estate with project cost of min. INR 60 crore

Category2–EPC /Turnkey Construction projects in Real Estate with payments/receipts of min.INR 60 crore¹

Where:

Commercial Real Estate projects would include hotels/resorts, convention centres, exhibition centres, commercial complex, community centres, commercial offices, clubs, banquets, retail high street/malls etc.

OR

- c. **Technical Capacity 2b:** The Bidder shall, over the past 7 (seven) financial years preceding the Bid Due Date, have:
- Paid for, or received payments for construction of Eligible Project(s) under Category 4
 - Developed / paid for development of Eligible projects under Category 3 such that the sum total of the above is more than INR 60 crore.

Where,

Category3–PPP projects in Core Sector with project cost of min. INR 50 crore

Category4–EPC/Turn key Construction projects in Core Sector with payments/receipts of min. INR 60 crore

Where:

Core Sector projects would include Power, telecom, ports, airports, railways, metro rail, industrial parks/ estates, logistic parks, pipelines, irrigation, water supply, sewerage and real estate development.

(ii) **Financial Capacity:**

- Net Worth:** Minimum Net worth of INR 15 Crore at the close of the preceding financial year.
- Turnover:** Minimum average turnover of INR 60 Crore over the last 3(three) financial years preceding the Bid Due Date.

Draft Modalities: Term Sheet – Terminal Market, Peapully, Nandyal

Note:

- The entity claiming such experience should have held a minimum of 51% (fifty one percent) equity in the company owning such project.
- The entity whose credentials are counted for Technical and Financial Capacity should hold at least 26% stake in Bidder.
- Credentials of Associates would be counted for Technical and Financial Capacity.

Financial Covenants

Estimated Project Costs– INR 60 Cr

- (i) Tender Purchase Fee–INR 5,000
 - (ii) Bid Security– 60 Lakhs² (Refundable; DD or BG)
 - (iii) Performance Security (Till COD)–INR 6 Cr³ (BG)
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¹To be discussed with the Authority

²1% of estimated project cost

³10% of estimated project cost

- (iv) Performance Guarantee (After COD till end of Concession Period) – INR 2 Cr (BG)

Payments to the Authority

- (i) Bid Variable – Grant⁴

Terms of License

- (i) Land ownership to always vest with Authority.
- (ii) Ownership of project facilities developed by Concessionaire to vest with Concessionaire during the Concession Period
- (iii) Concessionaire to retain naming and branding rights.
- (iv) Sub-licensing of facilities to be allowed.
- (v) Mortgage rights
 - a. Concessionaire can't raise charge over Project land
 - b. Concessionaire can mortgage the following for the purpose of financing:
 - i. Project Facilities
 - ii. Rights and benefits under the Concession Agreement/Lease Deed

Conditions Precedent

- (i) Concessionaire
 - a. Achieve Financial Closure
 - b. Submit and obtain Authority's approval on the DPR
 - c. Obtain key approvals – Environmental Clearance and NOC
 - d. Execute Substitution Agreement
 - e. Execute Escrow Agreement
- (ii) Authority
 - a. Handover unencumbered right-of-way of project site
- (iii) Timeline for fulfillment of CPs–180 days from signing of Concession Agreement
- (iv) Damages for delay by Concessionaire–0.1% of PS
- (v) Damages for delay by Authority–extension in Concession Period by same period of delay

Owner ship and Exit

- (i) Lead Member of Consortium should hold atleast 51% of equity till COD and minimum 26% of equity till COD +5years. May exit after COD +5 years.
- (ii) Non-Lead members, whose credentials have been used for technical/financial capability assessment–To hold minimum 26% equity till COD +5years.
- (iii) All original share holders to together hold minimum 51% of equity till COD +5 years.

Project Monitoring

- **Over sight Committee/ Governance Committee**
 - Objective- To review project progress and contract administration and provide resolution on key issues/concerns
 - To be formed with involvement of external experts.
 - To meet every 3 months before COD and every 6 months after COD
 - To have right to appoint external experts for technical support

⁴Over and above the nominal Concession Fee

Draft Modalities: Term Sheet – Terminal Market, Peapully, Nandyal

- **Independent Engineer**

- External consultant to be appointed by NABCONS Oversight Committee during Construction Period (before COD)
- To be appointed for a continuous period of 3year
- To assist in contract monitoring, construction supervision, quality monitoring, conducting tests, assist Authority in issue of completion certificate, assist Authority in estimating termination payments etc.

Termination

Major Events of Termination–Concessionaire:

- Failure to replenish PS within 30 days of encashment/appropriation
- Failure to achieve COD within 30m+ grace period of 180 days
- Failure to cure any Escrow default
- Failure to cure default under Finance Agreement
- Change in ownership
- Bankruptcy or insolvency of Concessionaire
- Failure to make any payment to Authority within given period +grace period of 60days
- Concessionaire abandons or manifests intention to abandon construction or operations of the Project
- Any default causing Material Adverse Effect