



**Directorate of Institutional Finance**  
(Public Private Partnership Cell)  
Government of Madhya Pradesh

No. DIF/PPP/SLEC-9/2011/ 3815

30 November, 2011

To

1. Additional Chief Secretary, Govt. of M.P., Forest Department, Mantralaya, Bhopal.
2. Principal Secretary, Govt. of M.P, Finance Department, Mantralaya, Bhopal
3. Principal Secretary, Govt. of M.P, Economics, Statistics & Planning , Mantralaya, Bhopal
4. Principal Secretary, Govt. of M.P, Information Technology, Mantralaya, Bhopal
5. Principal Secretary, Govt. of M.P, Tourism, Mantralaya, Bhopal
6. Principal Secretary, Govt. of M.P, Public Works Department, Mantralaya, Bhopal
7. Principal Secretary, Govt. of M.P, Urban Administration & Development, Mantralaya, Bhopal
8. Principal Secretary, Govt. of M.P, School Education, Mantralaya, Bhopal
9. Principal Secretary, Govt. of M.P, Law Department, Vindhyachal Bhawan, Bhopal
10. Commissioner, Public Instruction, Bhopal
11. Commissioner, Urban Administration & Development, Bhopal
12. Managing Director, MP State Tourism Development Corporation, Bhopal.
13. Managing Director, MP Road Development Corporation, Bhopal.
14. Chief Executive Office, M.P. Eco-tourism Development Board, Bhopal.
15. Managing Director, MP State Electronic Development Corporation, Bhopal.
16. OSD, Information Technology Department, Bhopal.

**Sub: Minutes of 9<sup>th</sup> meeting of the State Level Empowered Committee (SLEC) for Public Private Partnership (PPP) Projects in Madhya Pradesh.**

The 9<sup>th</sup> meeting of the SLEC was held on 29<sup>th</sup> October, 2011 under the Chairmanship of the Chief Secretary. A copy of the minutes of the said meeting is attached herewith for information and necessary action .

*Encl: as above*

  
Commissioner  
Institutional Finance  
November, 2011

No. DIF/PPP/SLEC-9/2011/

1. Staff Officer to the Chief Secretary, Government of Madhya Pradesh, Mantralaya, Bhopal for information.

  
Commissioner  
Institutional Finance

## State Level Empowered Committee for Public Private Partnership Projects

### 9<sup>th</sup> Meeting

29<sup>th</sup> October 2011

Venue: CS ante-chamber

### Minutes

1. The Ninth meeting of the State Level Empowered Committee (SLEC) for PPP projects was held on 29<sup>th</sup> October 2011.
2. The list of participants is at Annexure A.
3. The Committee discussed the agenda items in details and the following decisions were taken:

**Agenda Item No. 1 : In-Principle project approval for setting up/development of Information Technology (IT) Park in Bhopal, Indore, Gwalior and Jabalpur-** The Committee considered the proposals in detail and in-principle approval was given for the same, subject to the following amendments:

- i) The concession period is to be for 30 years and that the land is to be given on licence basis for 30 years and if required condition to renew the licence be included. .
- ii) The bids for all four projects, i.e Bhopal, Indore, Gwalior and Jabalpur are to be invited separately.

**Agenda Item No. 2 : In-Principle project approval for development of Tourist Hotel and other Tourism related activities at Gandhi Sagar Dam, District Mandsaur and Rajgarh Palace Fort, Datia-** The Committee considered the proposals in detail and the following decisions were taken:-

- i) Regarding Tourist Hotel and other Tourism related facilities at Gandhi Sagar Dam,Madsaur,the project was deferred with the direction that firstly viability study of the project is to be conducted.
- ii)The committee gave its in-principle approval for the project of conversion and development of Rajgarh Palace Fort,Datia into a Tourist Hotel & other Tourism related facilities with the conditions that the Department has to fix suitable minimum Upset Premium. The Rfp clause 2.2.2(A)(b)(ii),line 16 is to be amended as suggested in the appraisal memorandum(B Sr No 2).The architectural features of the Palace as far as possible, should be protected and conserved.

**Agenda Item No. 3 : Approval for development/upgradation of Rewa Ring Road on BOT(Toll) basis** - The Committee considered the proposal and accorded approval for Rewa Ring Road Project on BOT(Toll)basis with VGF as follows:

VGF(GoI): 20%

VGF(GoMP): 20%(As O&M Support)

**Agenda Item No. 4 : Approval for development /upgradation of Jabalpur-Patan-Shahpura Road on BOT(Annuity + Toll) basis** - The Committee considered the proposal and accorded approval for Jabalpur-Patan-Shahpura Road Project on BOT (Annuity + Toll) basis.

**Agenda Item No. 5 : Approval for development /upgradation of Sabalgarh-Karoli Road on BOT(Annuity) basis** - The Committee was apprised of the reasons for the resubmission of the project and after considering the explanation given by the Department for the reasons for increase in project cost, the committee accorded approval for revised proposal for Sabalgarh-Karoli Road Project on BOT (Annuity) basis.

**Agenda Item No. 6 : Approval for development/construction of Dhar-Nagda Road on BOT(Toll + VGF) basis** - The Committee noted the reasons for resubmission of the project with VGF requirement(20% by GoI and 20 % by GoMP as O& M support).The Committee considered the revised proposal with above VGFs and accorded approval for revised Dhar-Nagda Road Project on BOT(Toll )basis with VGF.

**Agenda Item No. 7 : Approval for development/construction of Balaghat-Baihar Road on BOT(Toll + VGF)+ Deemed Shadow Toll Fee basis** - The Committee considered the proposal and accorded approval for Balaghat-Baihar Road Project on BOT(Toll + Deemed Shadow Toll Fee ) basis with VGF(20% GoI and 20 % GoMP as O& M support).

**Agenda Item No. 8 : Proposal of Madhya Pradesh Ecotourism Development Board for MPPDF to engage consultants and decision regarding minimum fee to be paid for consultancy** - It has been decided to defer this agenda item for the next meeting.

**Agenda Item No. 9 : Proposal of Madhya Pradesh Ecotourism Development Board for MPPDF to engage consultants for three projects** - It has been decided to defer this agenda item for the next meeting.

**Agenda Item No. 10 : In-Principle Project approval for construction and maintenance of Government Higher Secondary School Buildings on BOT(Annuity) basis.** - The Committee accorded in-principle approval for the project to construct and maintain the Government Higher Secondary School Buildings on BOT (Annuity) basis subject to the condition that the annuity is within the Plan ceiling of the Department.

**Agenda Item No. 11 : Project approval for Secondary collection and transportation of Municipal Solid Waste in Jabalpur** -The committee decided to defer the project since the element of PPP was not very evident in the proposal. It was decided that the

Department may re-look into the project with the aspect of asset creation and other benefits to be derived from the project.

**Agenda Item No. 12 : Project approval for Development of Commercial Complex at the Nagar Nigam workshop, Jabalpur** -The Committee considered the proposal and accorded approval for Development of Commercial Complex at the Nagar Nigam workshop, Jabalpur Project on BOT basis The Committee also directed that RfP and Concession Agreement be modified as per Annexure B.

**Agenda Item No. 13 : Project approval for Development of Bus stand cum commercial complex on Mahu-Neemuch Road, Ratlam** -The committee decided to defer the project. It was decided that the Department may re-examine the project and reformulate the facilities to be developed in detail.

**Agenda Item No. 14 : Project approval for Development of commercial complex at Bhais Khana in Satna** -The Committee considered the proposal and accorded approval for Development of Commercial Complex at Bhais Khana in Satna on BOT basis. The committee also directed that RfP and Concession agreement be modified as per annexure C.

**Agenda Item No. 15 : Project approval for Re-Development of Central Office of Dewas Municipal Corporation and a Commercial Complex at AB Road, Dewas** -The Committee considered the proposal and accorded approval for Re-Development of Central Office of Dewas Municipal Corporation and a Commercial Complex at AB Road, Dewas on BOT basis. The committee also directed that RfP and Concession agreement be modified as per annexure D.

The meeting ended with a vote of thanks to the Chair.

Sd/-

(Ashok Shah)  
Commissioner  
Institutional Finance

**Annexure A****List of Participants in the 9th Meeting of The State Level Empowered Committee of Public Private Partnership Projects**

1.	Shri Avani Vaish	Chief Secretary, in the Chair
2.	Shri Ajay Nath	Principal Secretary, Finance Department
3.	Shri K. Suresh	Principal Secretary, Economics Statistics & Planning
4.	Shri Deepak Khandekar	Principal Secretary, Information technology and Tourism
5.	Shri K.K.Singh	Principal Secretary, Public Works Department
6.	Shri S.P.S.Parihar	Principal Secretary, Urban Administration & Development Department
7.	Shri Pankaj Rag	Managing Director, M.P.State Tourism Development Corporation
8.	Shri Ashok Barnwal	Commissioner, Public Instruction
9.	Shri Sanjay Kumar Shukla	Commissioner, Urban Administration & Development
10.	Shri Vivek Agarwal	Managing Director, M.P.State Road Development Corporation
11.	Shri A.K.Bhattacharya	CEO,M.P.Ecotourism Development Board
12.	Shri V.N.Pandey	Secretary, Forest Department
13.	Shri Anurag Shrivastava	O.S.D, Information & Technology Department.
14.	Shri R.K.Verma	Secretary, Law Department
15.	Shri Ashok Shah	Commissioner, Institutional Finance

Annexure B**Item No. 12: Development of Commercial Complex at the Nagar Nigam workshop, Jabalpur****Proposed Modifications / Amendments in RFP & Concession Agreement:**a. **RFP**

- i. Land Area be finalized and indicated in RFP at Appendix - XII and in the Concession Agreement at Para 'E' and Schedule - I.
- ii. Amount for cost of document be indicated (Clause 1.2.1)
- iii. Bid Security Amount be indicated (Clause 1.2.3)
- iv. Upfront Premium Amount be indicated (Clause 1.2.5)
- v. Performance Security amount @ 5% be indicated (Clause 1.2.5(i))

b. **Concession Agreement:**

- i. **Para G(b):** It may be suitably modified keeping in view 25 Annuity Premiums.
- ii. **Clause - 2:** A separate sub-clause be inserted clearly specifying main concession period of 25 years.
- iii. **Clause - 5.1.2(a):** Amount / Value of Performance Security @ 5% of estimated project cost be indicated.
- iv. **Clause - 5(Developer's obligations):** Provisions for providing O&M security @ 2% of the total estimated project cost be made and accordingly suitable Sub-Clauses relating to O&M Security, its terms / conditions and other related provisions be added.
- v. **Clause - 8:** Suitable modifications be done in the existing clause to indicate when 1<sup>st</sup> Annuity Premium will be due.
- vi. **Clause - 10:** Wherever required relevant clauses be modified (from 9.1 (g), 9.1 (h) to 10.1(g) and 10.1(h))
- vii. **Clause -12:** Rate of liquidated Damages be indicated (Sub clause 12.3 Para(i))
- viii. **Clause - 13:** Arbitration Panel should include one to be nominated by Developer.

**Annexure C****Item No. 14 - Commercial Complex at Bhaisa Khana, Satna:****a. RFP:**

- i. Amount of Cost of Document be indicated (Clause 1.2.1)
- ii. Bid Security amount be indicated (Clause 1.2.3)
- iii. Performance Security amount @ 5% of estimated project cost be indicated (Clause 1.2.5(1)).

**b. Concession Agreement:**

- i. The exact land area be mentioned in Para 'E' and Schedule - 1.
- ii. Para G(b) is not required as the Developer is required to pay Upfront Premium only. This para be deleted.
- iii. A new Sub Clause under main Clause 2 be added / inserted clearly specifying the main Concession period of 25 years.
- iv. As the Developer is required to pay the 100% Premium Upfront at the time of signing of the Agreement, the proposed Sub Clause 5.1.1 (Payment Security) is not required. Hence be deleted.
- v. The Value / amount of the Performance Security @ 5% of the estimated project cost be included / indicated (Sub Clause 5.1.2(a)).
- vi. Suitable Clause / Sub Clause for providing O&M Security @ 2% of estimated project cost, along with related terms & conditions and other provisions be included (Sub Clause 5.2.3)
- vii. Amount / rate of Liquidated Damages be indicated (Sub Clause 11.3 Part - 1)
- viii. Arbitration Panel should include one person to be nominated by the Developer (Clause - 12).

Annexure D**Item No. 15 - Dewas Commercial Complex & Municipal Corporation's Office in Dewas:**a. **RFP:**

- i. Amount of Cost of Document be indicated (Clause 1.2.1)
- ii. Amount of Bid Security be indicated (Clause 1.2.3)
- iii. Amount of Performance Security @ 5% of Estimated Project Cost be indicated (Clause 1.2.5(1)).

b. **Concession Agreement:**

- i. A new Sub-Clause, under main Clause - 3 be added clearly specifying the main Concession Period of 25 years, its commencement date and other terms and conditions.
- ii. The value / Amount of Performance Security @ 5% of the Estimated Project Cost be indicated (Sub Clause 5.1.1)
- iii. A new Sub-Clause for providing O&M Security @2% of the Estimated Project Cost for commercial Complex along with detailed terms and conditions and other related provisions be added (Clause 5.4)



Date of Meeting

ITEM NO.2(2)

**NOTE FOR CONSIDERATION OF STATE LEVEL EMPOWERED  
COMMITTEE**

**APPRAISAL MEMORANDUM**

**PPP CELL**

**Subject:** **Conversion and Development of Rajgarh Palace Fort, Datia into a Tourist Hotel & other Tourism Related Facilities proposed by M.P. State Tourism Development Corporation Ltd. - for in-principle Approval.**

**A. Broad Particulars of the Project :**

<b>S.No.</b>	<b>Particulars</b>	<b>Details</b>
1.	Project	MPSTDC has proposed conversion and development of Fort into a Tourist Hotel and other Tourism related facilities at Rajgarh Palace, Datia.
2.	Type of PPP	DBFOT (Design - Build - Finance - Operate - Transfer) basis.
3.	Location	Rajgarh Palace, Datia.
4.	Land	Land : 4.15 Hectares (Presently not in possession of MPSTDC but permission received from State Archeology Deptt.)
5.	Administrative Department	Department of Tourism, GoMP.
6.	Sponsoring / Implementing Authority	M.P. State Tourism Development Corporation Limited, Bhopal ( MPSTDC)
7.	Brief Description of the Project	Rajgarh Palace is located near Peetambra Peeth, which was built by King Shatruijit Bundela. Palace is made of Bundeli Architecture. Museum is also located near to the Palace and has many products of Historical & Cultural importance. MPSTDC has indicated that it is an important tourist hub and a large nos. of corporate sector is willing / interested in visiting / staying. Presently, Datia does not have adequate good hotel rooms and other facilities to cater to the demand. Therefore there is need for

8.	Justification for the Project	The proposed project will help boost tourism in the State and consequently economic benefits.
9.	Estimated cost of the Project	Rs. 15.00 crores (excluding Land).
10.	Proposed CONCESSION Period	30 years (from date of project completion - construction period 3 years excluded).  The Concession period is further extendable by 15 years.
11.	Bid Process Management (short listing)	Single stage - 2 Envelop process.
12.	Selection / Bid criteria	Highest Upfront Premium  - The Developer will also pay Development Fee @ Rs. 1.50 per sq. mt. per annum which will be increased by 8 times during extended period.
13.	Revenue Sources / User Charge / Fee	User Charges / Tariff  - To be fixed / decided by the Private Developer depending upon Market conditions.
14.	Financing Arrangement	No Govt. Funding is required. Entire funds are to be arranged by the Private Developer from his own sources (equity / debt).
15.	Major Development Works / facilities proposed	(A) Mandatory  - Lodging facilities for minimum 100 persons.  - Restaurant

		<ul style="list-style-type: none"> <li>- Administrative Block</li> <li>- 24 hours un-interrupted water supply.</li> <li>- Solid Waste Management System</li> <li>- Internal Roads</li> <li>- Fencing / Compound wall</li> <li>- Parking</li> <li>- Staff Quarters</li> <li>- STD / ISD / FAX / Internet facility</li> <li>- Public Amenities</li> </ul> <p>(B) Desirables:</p> <ul style="list-style-type: none"> <li>- Gym</li> <li>- Entrance Plaza</li> <li>- Multi purpose hall</li> <li>- Children's Play equipment.</li> </ul>
16.	Bid Security	Rs. 65.00 lacs.
17.	Performance Security	Rs. 75.00 lacs (5% of Estimated Project Cost)
		- Refundable after completion of the construction and commencement of operations.
18.	O&M Security	Rs. 30.00 lacs (2% of Project Cost)
		- Refundable after concession period of 30 year. During the extended concession period the O&M Security will be Rs. 240.00 lacs (8 times).

## B. ISSUES, OBSERVATIONS AND SUGGESTIONS

S.No.	Issues	Suggestion / Observation
A.	RFP	
1.	<p>Clause 1.1 (Table):</p> <p>The table given in this clause has provision for indicating upset price (Rs. In lakhs) which means Minimum (upset) Upfront Premium expected. However, the required value/amount of upset premium has not been indicated</p>	<p>The Implementing Agency should decide whether, there will be any upset price (Minimum upfront premium expected) or not. Accordingly, the format may be revised/modified.</p>
2.	Refer: Clause 2.2.2 (A) (b): (ii)- Line 16	<p>Line 16 needs to be modified as follows:</p> <p>After the word 'equipment' and before the words 'form part of' following be inserted "<u>except when such goods or equipment</u>".</p>
3.	<p>Appendix-VIII</p> <p>- Format for Financial Bid:</p> <p>- Col.2 of the Table</p>	<p>The format provides for fixed reserved price, i.e., reserved minimum (upset) upfront premium. However, the value of upset/minimum reserved upfront premium has neither been indicated in RfP nor in this format. This may either be indicated or deleted from this format and from the RfP.</p>

## B. DEVELOPMENT / CONCESSION AGREEMENT

1.	<p>Article-3 "Grant of Development Rights"</p> <p>(a) Refer Clause 3.1</p> <p>The concession period is 30</p>	<p>The proposed initial concession period of 30 years from COD appears reasonable i.e. effectively 33 years. However, Article -20 "Renewal of Development Rights upon Expiry" provides for further extension of 15 years concession Total 33 +</p>
----	---	--

	<p>years from Project completion Date (i.e. effectively 30+3 years construction period = 33 years)</p>	<p>15 = 48 years.</p> <p>- It appears that MPSTDC has not carried any viability Analysis for the project. In view of above it is not possible to comment on suitability of period.</p>
2.	<p>Article: 20 "Renewal of Development Right upon Expiry"</p> <p>The Article provides for:</p> <ul style="list-style-type: none"> <li>- Extension of Concession Period by further 15 years on same terms &amp; conditions subject to:</li> </ul> <p>(a) Payment of enhanced Development Charges (8 times) i.e. Rs. 12/- per sq.mts. plus taxes per year, and during extended period.</p> <p>(b) Increased O&amp;M Security (8 times the original) i.e. Rs. 240 lacs.</p>	<p>It is observed that grant of Concession for 45 years (effectively 48 years) is similar to sale of land at upfront premium (which may be substantially lower than actual prevailing present market valuation of the land).</p>