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PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub: Development of International Convention Centre – adjacent to Bangalore International Airport.

- Read: 1. Proceedings of the Project Steering Committee Meeting held on ~~14-08-2008, 06-10-2008, 12-08-2009, 08-02-2011~~ under the Chairmanship of Chief Secretary, regarding the construction of International Convention Centre near Bangalore International Airport
2. Letter No. DGM/ (IPD-1)/ 2937/ 2010-11 dated 09-03-2011 of the MD, KSIIDC Ltd.,

Preamble:

The need for a State of the Art, Convention Centre in Bangalore was realized by the Department of Tourism during the year 2007 and had proposed to develop an International Convention Centre on PPP model near the Bangalore International Airport at Devanahalli, Bangalore on 35 acres of land. The component of the Convention Centre as envisaged was as follows:

- A convention hall with a minimum seating capacity of 6000
- 20 additional meeting rooms with seating capacity varying from 50 to 250
- An exhibition hall with a minimum of 20,000 sq.mtrs covered space
- A five star hotel with a minimum of 300 rooms
- One or additional hotels with a minimum of 450 rooms and Other supporting infrastructure for the above.

2. In response to the RFP, one proposal from Soma-Suncon-Suncity Consortium was received. However, the proposal fell through as the preferred bidder sought certain relaxations in the bid conditions which were not acceptable. Considering the delay encountered in development of the International Convention Centre on PPP model, the Government decided to develop on its own. Accordingly in the Project Steering Committee Meeting held on 08-02-2011, under the Chairmanship of Chief Secretary, the Government had decided to develop the International Convention Centre on EPC mode and to entrust the work to KSIIDC and to take back the entire land of 35 acres which was earlier transferred to Tourism Department from IDD, and transfer to KSIIDC. The Government to provide 50% of the total cost of the construction of Convention Centre and the remaining amount to be met by KIADB. The Finance Department to give necessary exemptions under KPPP, Act and rules.

3. GoK has envisaged to conduct the Global Investors Meet in June 2012 and to hold this event in the proposed International Convention Centre. It is therefore proposed to develop at least the core components of International Convention Centre i.e. the Main Convention hall, the Exhibition Hall and a Food Court through EPC (Engineering, Procurement, Construction) with minimum lead time. As per the preliminary estimates, the cost of construction of these main components of International Convention Centre would be around Rs.250 crores as shown below:

(As per Cost)

(Rs. in Crores)

Project	Cost	Remarks
As per iDeCK/Sundaram Architect estimates in 2006	254	Main convention hall (6000 seater), Exhibition halls, break out/meeting rooms/conference rooms, food court etc.
As being incurred for International Convention Centre in Gujarat (2010-11)	265	Main convention hall (5000 seater), 2 exhibition halls, 8 seminar halls, food court etc.
As incurred for International Convention Centre in Hyderabad (2006)	175	27,000 sq. mtrs Main convention hall (6000 seater).

4. It is proposed to meet the cost partly out of budgetary support and the balance through funds from KIADB. It would be necessary to incorporate a Special Purpose vehicle to implement the project and devise appropriate modalities for O&M of the facilities.

5. Accordingly, MD, KSIIDC, in his letter dated 09-03-2011 has sent a proposal for construction of the International Convention Centre suggesting the following 3 options for the mode of construction.

OPTION-1:

- ▶ To appoint a reputed architectural / civil engineering firm through a tendering process to prepare the Master Plan, architectural designs and detailed structural drawings for International Convention Centre;
- ▶ The alternate plans developed by the architectural / civil engineering firm to be placed before a Technical Evaluation Committee for selecting the best design;

- ▶ To invite EPC bids on the basis of chosen design;
- ▶ The architectural / civil engineering firm can continue to be the Project Management Consultant (PMC) during the implementation;
- ▶ The O&M of International Convention Centre and development of other components of International Convention Centre (hotels, theme park etc,) may be offered on PPP model to private investors;
- ▶ Since iDeCK who were associated with the project earlier have expressed inability to continue their services, KIPDC may be retained as Transaction Advisor for EPC bid as well as structuring the O&M and other components of International Convention Centre under PPP model. For this exemption may be granted under section 4(g) of KTPP Act.
- ▶ The total lead time will be 18 months.

OPTION-2:

- ▶ Since the basic requirements are similar to International Convention Centre at Hyderabad and Gujarat, we may adopt the specifications of these two projects get it vetted by a Technical Advisor and straight away go ahead with inviting EPC bids;
- ▶ In this case, it will be a three stage EPC bidding process comprising pre-qualification, technical bid and financial bid;
- ▶ The technical bid of qualifying bidders may be evaluated by a Technical Evaluation Committee and the final successful bidder can be determined by following a QCBS system of scoring, as per FIDIC document / process.
- ▶ The O&M and other components of International Convention Centre (hotels, theme park etc,) may be offered on PPP model to private investors;
- ▶ KIPDC may be retained as Transaction Advisor and M/s. Tor Steel Foundation (who will be requested to tie up with a reputed architectural firm) would be retained as Technical Advisor cum PMC.
- ▶ Exemption under section 4(g) of KTPP Act may be granted for the appointment of KIPDC and Tor Steel Foundation.
- ▶ The total lead time will be 15 months.

OPTION-3:

- ▶ Since the Joint Venture Partner of KIPDC viz, IL&FS IDC has considerable experience in the development of International Convention Centre by virtue of its involvement in (i) Hyderabad International Convention CENTRE, (ii) International Convention Centre at Goa, (iii) International Convention Centre at Thiruvanthapuram, Kerala, (iv) International Convention Centre at Mohali, Punjab (v) International Convention Centre at Raipur, Madhya Pradesh, KIPDC may be retained for finalization of concept, architectural designs, managing the three stage EPC bidding process, PMC and structuring of O&M of International Convention Centre together with development of allied facilities of International Convention Centre under PPP model.
- ▶ In other words, the role of Tor Steels/ Architect as in Option-2 would be assumed by KIPDC as a single point project advisory agency
- ▶ KIPDC would in turn avail specific technical expertise on need basis from external agencies.
- ▶ A proposal received in this regard from KIPDC is enclosed herewith;
- ▶ Necessary approvals would be obtained from the Technical Evaluation Committee at all the important steps of project development;
- ▶ Exemption under section 4(g) of KTPP Act may be granted for the appointment of KIPDC as Project Advisor;
- ▶ The total lead time will be 13 to 14 months.

6. Government have examined the proposal in detail and hence the following order.

Government Order NO. IDD 44 DIA 2011

Bangalore Dated:21-06-2011

After careful consideration of the above proposal, Government hereby accords sanction for the construction of the International Convention Centre with the following terms:

- i) Proceed with the development of core components of International Convention Centre comprising the main convention hall, the exhibition hall and food court through EPC mode.
- ii) Provide budgetary support to the extent of 50% of the expected capital cost of the project estimated to be around Rs. 250 crs.

- iii) Structuring the O & M of the International Convention Centre and setting up of other allied/ supporting facilities such as Five/ Four/ Three Star category hotels, service apartments, theme park(s) etc and other necessary infrastructure on PPP model and invite private sector participation for the same.
- iv) To procure master plan, design (architectural and structural) & technical supervision aspects through contract directly by KSIIIDC.
- v) To procure remaining consultancy work i.e. bid preparation, process support & Project Management support (other than technical supervision on entrustment basis through KIPDC
- vi) To follow the option-1.
- vii) Total cost of the consultancy work for (iv) & (vi) above to be 3 – 4% of the EPC cost.
- viii) To procure the consultancy work for PPP component on pre-agreed lump-sum payment irrespective of success or otherwise of the PPP bid process.

- ix) To constitute a Technical Evaluation Committee as suggested for comprising external experts and senior representatives of concerned departments of Government of Karnataka to evaluate the Technical bids of the EPC bidders.
- x) To constitute an Empowered Committee to take all decisions relating to the project and accord all approvals to enable speedy implementation of the project. The powers of the Empowered Committee will be as follows:
 - a. *Constitution of a Technical Evaluation Committee*
 - b. *Approval for the appointment of the architect/ consultant selected through a procurement process for preparation of master plan, design (architectural and structural) based on the recommendations of Technical Evaluation Committee.*

- c. Approval regarding revised scope of work, fees, etc of KIPDC, duly taking in to account the observations of FD.
- d. Approval of the Bid / Tender processes and documents
- e. Approval of the master plan, architectural and structural design based on the recommendation of Technical Evaluation Committee.
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- f. Approval to EPC bids – both technical & Financial
- g. Review of Progress
- h. Any other issues requiring approval/decision for timely &
- i. Successful implementation of the project.

The Empowered Committee will consist of the following members:

- | | |
|--|------------|
| i) Chief Secretary | - Chairman |
| ii) Principal Secretary, IDD | - Convener |
| iii) Principal Secretary, Finance Dept., | - Member |
| iv) Principal Secretary, C&I Dept., | - Member |
| v) Principal Secretary, Tourism Dept., | - Member |
| vi) Metropolitan Commissioner, BMRDA | - Member |
| vii) Secretary, Law Department | - Member |
| viii) Executive Member, KIADB | - Member |

- xi) To appoint KIPDC as Transaction Advisors for the revised scope of work by providing exemption under section 4(g) of KTPP Act.

2. The order is issued in accordance with the FD's note No. FD 514 EXP 1 2011

date: 13-04-2011.

By order and in the name of the
Governor of Karnataka

Am Patel 21/
(C.A. Baburavindranath Patel)
Under Secretary to Govt.,
Infrastructure development department
Tele Fax No.: 080 - 2203 4130

To:

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2. The Accountant General in Karnataka (A & E), Bangalore.
3. The Principal Secretary to Government, Tourism Department.
4. The Principal Secretary to Government, Finance Department.
5. The Principal Secretary to Government, C & I Department.
6. The Secretary to Government, Law Department.
7. The Managing Director, KSIIDC, Bangalore.
8. The Chief Executive Officer & E.M, KIADB, Bangalore.
9. ~~The Metropolitan Commissioner, BMRDA, Bangalore.~~
10. The Under Secretary (Exp.1), Finance Department, Vidhana Soudha.
11. The PS to the Chief Secretary, Government of Karnataka.
12. The Senior Director, PF & R Div, Planning Department, MS Building II Stage, Bangalore.
13. The P.S. to Secy., IDD / DS, IDD.