

**Licensing the operation of the Bar and Restaurant at Hotel Mayura
Valley View in Madikeri**

Karnataka State Tourism Development Corporation Limited.

A Government of Karnataka Undertaking

REQUEST FOR PROPOSAL

DISCLAIMER

This Request for Proposal (RFP) document is not an agreement and is not an offer by the KSTDC to any party. It is an invitation for tender for the Bidder(s) who are qualified to submit the Proposal. The purpose of this RFP document is to provide the Bidder(s) with information to assist the formulation of their Proposal. This RFP document does not purport to contain all the information each Bidder may require. This RFP document may not be appropriate for all persons, financial situation and particular needs of each Bidder who reads or uses this RFP document. Each Bidder should conduct his / its own investigations and analysis and should check the accuracy, reliability and completeness of the information in this RFP document and where necessary obtain independent advice from appropriate sources. KSTDC, its representatives, employees and advisors make no representation or warranty and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability or completeness of the RFP document.

KSTDC, may in its absolute discretion, but without being under any obligation to do so, amend, delete or supplement the information in this RFP document.

**Karnataka State Tourism Development Corporation Limited.
A Government of Karnataka Undertaking**

Tender Notice

**Invitation for Proposals for use of Bar and Restaurant at Hotel Mayura Valley View in Madikeri
as a Licensee**

Karnataka State Tourism Development Corporation (KSTDC), a Government of Karnataka Undertaking is the owner of the property Hotel Mayura Valley View situated near Raja Seat, in Madikeri. The said property presently consists of Boarding and Lodging facilities. It has been decided by the KSTDC to License the operation of the Bar & Restaurant in the said property to private parties. Accordingly, KSTDC invites application from interested parties, in accordance with the **Request for Proposal (RFP)** Document.

The RFP Document containing instructions to Bidders, project information memorandum and draft License agreement may be obtained from the office of:

Assistant General Manager – Karnataka State Tourism Development Corporation Limited, 2nd Floor, West Entrance, 49, Khanija Bhavan, Race Course Road, Bangalore -560001.

Phone: (080)22352384 / 22352901/02/03 Fax: (080) 22352963

Cost of RFP Document:

Rs3000/-(Rupees Three thousand only) plus Rs.120/- towards VAT in cash or in the form of a crossed demand draft (Non-Refundable) drawn in favour Karnataka State Tourism Development Corporation Limited on any Schedule bank, payable at Bangalore.

Last date for sale of RFP document: 08.07.2010 before 17.00 hrs

Pre – bid meeting: 03.07.2010 at 15.45 hrs

Submission of Proposal (Proposal due date): 09.07.2010 before 17.00 hrs

The RFP Document can be obtained by post/courier upon a written request addressed to Managing Director, KSTDC, at the above mentioned address along with a demand draft for the total amount payable towards the cost of the document and postal expenses (Rs.200/- Rupees two hundred only). KSTDC will not be responsible for any delay, loss or non-receipt of RFP document sent by post/courier. It is also available on the Internet and can be downloaded from the following Website: www.karnatakaholidays.net. In case of difficulty in downloading the document from the above website, information may be obtained by sending an e-mail to romt@karnatakaholidays.net. If the document is downloaded from the above website, the demand draft for the amount payable towards cost of document should be enclosed along with the Proposal. Intimation of the downloading of document should be sent to Managing Director, KSTDC and to romt@karnatakaholidays.net. All subsequent notifications, changes and amendments will be posted only on aforesaid website.

Sd/-

Managing Director, KSTDC

CONTENTS OF RFP

PART I INSTRUCTIONS TO BIDDERS.

PART II PROJECT INFORMATION MEMORANDUM.

PART III DRAFT LICENSE AGREEMENT.

PART I

INSTRUCTIONS TO BIDDERS

TABLE OF CONTENTS

Section No.	Contents
1	Introduction
2	Instructions to Bidders
3	Criteria for Qualification
4	Criteria for Evaluation
5	Schedule of Bidding Process
	Appendix
A	Format for Covering Letter-cum-Project Undertaking
B	Format for Power of Attorney for Signing of Proposal
C	Format for Anti-Collusion Certificate
D	Format for Bid Security
E	Format for Details of Bidder
F	Format for Experience of Bidder
G	Format for Financial Capacity of Bidder
H	Format for Part II Submission
I	Bid Processing Charges

1. INTRODUCTION

1.1 Background

Karnataka State Tourism Development Corporation Limited (hereinafter referred to as “KSTDC”), owns the property situated at Hotel Mayura Valley View Madikeri, wherein it is running a hotel with various tourist facilities, also having lodging and restaurant facilities. KSTDC has decided to, outsource the operation of the bar and restaurant in the said property to a private person initially for a period of three years and thereafter for another three years by mutual consent by way of License.

A brief profile of the above property is given in the Project Information Memorandum (part II of the RFP document)

License for the operation of the restaurant would be awarded after a competitive bidding process to the successful bidder (the Licensee) with whom a License Agreement would be signed by KSTDC. The Licensee would be responsible for running, operating and maintaining the bar and restaurant, under the License Agreement to be entered into between the Licensee and KSTDC. The Licensee would be entitled to modify the bar and restaurant subject to obtaining all necessary approvals for the same from KSTDC.

For the purpose of bidding, the Bidders would have to submit a detailed proposal as per this RFP Document. Proposals would be evaluated on the basis of the evaluation criteria set out in this RFP document (“Criteria for qualification” and “Criteria for Evaluation”) in order to identify the successful Bidder. The Successful Bidder would then have to enter into a License Agreement with KSTDC and perform its obligations as stipulated therein in respect of the restaurant. The draft License Agreement forms part of this RFP document.

1.2 Brief Description of Bidding Process

KSTDC intends to adopt a single stage, two cover processes for selection of the Successful Bidder in which the Bidder needs to fulfill the Qualification criteria set out in this RFP document (“Part I Submission”) and submit financial proposal to KSTDC (“Part II Submission”) for the project.

The part I Submission from Bidders would first be evaluated based on Criteria for qualification to identify Qualified Bidders. The proposals from Qualified Bidders would then be evaluated based on the Criteria for Evaluation for the Part II Submission in order to identify the Successful Bidder.

1.3 RFP Document Available on Internet

The RFP document is also available on the Internet and can be downloaded from the website: www.karnatakaholidays.net

If the document is downloaded from the above website, the demand draft for the amount payable towards cost of document should be enclosed along with the Proposal.

Intimation of the downloading of document should be sent to Managing Director, KSTDC and to romt@karnatakaholidays.net

All subsequent notifications, changes and amendments will be posted only on the website: www.karnatakaholidays.net

2. INSTRUCTIONS TO BIDDERS

2.1 General

KSTDC wishes to receive Proposals from qualified & interested parties for the operation of the bar and restaurant at Hotel Mayura Valley View, Madikeri in order to identify Successful Bidder.

2.2 Eligible Bidders

The Bidders eligible for participating in the qualification process shall be a business entity with eligible experience in hospitality industry as stipulated under Section 3. No consortium shall be allowed to bid.

For the purpose of this RFP, a Business Entity shall mean a sole proprietorship / registered partnership firm / a company incorporated under Companies Act, 1956 or under any equivalent law abroad registered in India or abroad.

Any Bidder, who has earlier been barred by KSTDC / Government of Karnataka (GOK) from participating in KSTDC / GOK Projects, would not be eligible to submit a Proposal, where the Bar operates as on the Proposal Due Date.

The Bidder should submit a Power of Attorney as per the format enclosed as Appendix B (if the Bidder is a Company or a registered Partnership firm), authorizing the signatory of the Proposal to commit the Bidder. If the Bidder is a Sole Proprietorship then the Proprietor shall sign the Proposal.

2.3 Number of Proposals

Each Bidder shall submit only one (1) Proposal in response to this RFP. Any Bidder, who submits more than one Proposal, will be disqualified.

2.4 Proposal Preparation Cost

The Bidder shall be responsible and shall pay for all of the costs associated with the preparation of its Proposal and its participation in the bidding process. KSTDC will not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the bidding process.

2.5 Project Inspection and Site Visit

The details of the project given in this document are general in nature and may not subscribe to the exact description. Hence the bidders are advised to carry out inspection of the project at any time at their own cost and ascertain the exact extent and condition of the project site.

The Bidder would be granted permission by KSTDC to visit the Project site on receipt of a formal written request, reasonably in advance of the proposed date of visit.

It is desirable that each Bidder submits its Proposal after visiting the site and ascertaining for itself the location, surroundings, business potential, or any other matter considered relevant by it.

It would be deemed that by submitting the Proposal for RFP, the Bidder has:

- a. Made a complete and careful examination of terms and conditions/ requirements, and other information set forth in this RFP document.
- b. Received all such relevant information as it has requested from KSTDC; and
- c. Made a complete and careful examination of the various aspects of the Project including but not limited to:
 - i. The property on which Project is located (Project Sites);
 - ii. Existing facilities and structures;
 - iii. Condition of the interiors, exteriors, appurtenances and the layout of the building and open space around the property;
 - iv. The conditions of the access roads and utilities in the vicinity of the Project Site;
 - v. Conditions affecting transportation, access, disposal, handling and storage of materials;
 - vi. Clearances obtained by KSTDC for the project;
 - vii. Business potential of Tourism Property/s;
 - viii. All other matters that might affect the Bidder's performance under the terms of this RFP document.

KSTDC shall not be liable for any mistake or error on the part of the Bidder in respect of the above. It is hereby made clear that the License agreement with regard to the property is being entered into on 'AS IS WHERE IS BASIS' and no disputes or complaints with regard to it shall be entertained subsequently and KSTDC shall not be responsible for any loss or hardship that the Licensee may suffer because of the same.

2.6 Right to Accept or Reject any of the Proposals

KSTDC reserves the right to reject any Proposal if:

- a. At any time, a material misrepresentation is made or discovered, or
- b. The Bidder does not respond promptly and diligently to requests for supplemental information required for the evaluation of the Proposal.

Rejection of the Proposal by KSTDC as aforesaid would lead to the disqualification of the Bidder. If such disqualification/ rejection occur after the bids have been opened and the best bidder gets disqualified/ rejected, then KSTDC reserves the right to:

- a. Either invite the Bidder with the next best offer for negotiation, or
- b. Take any such measure as may be deemed fit in the sole discretion of KSTDC, including annulment of the bidding process.

Notwithstanding any thing contained in this RFP, KSTDC reserves the right to accept or reject any Proposal or to annul the bidding process or reject all Proposals, at any time without any liability or any obligation for such rejection or annulment, without assigning any reasons.

2.7

B. Documents

Contents of RFP

The RFP Document comprises the contents as listed below, and would additionally include any Addenda issued in accordance with Clause 2.8.

Part I Instructions to Bidders

Part II Project Information Memorandum

Part III Draft License Agreement

2.8 Amendment of RFP

At any time prior to the proposal Due Date, KSTDC may, for any reason, whether at its own initiative or in response to clarifications requested by a Bidder, modify the RFP document by the issuance of an Addenda. Such Addenda would be posted on the website www.karnatakaholidays.net

Any Addendum thus issued will also be sent in writing to all those who have purchased the RFP Document and to those who have downloaded the RFP document from the website and have duly intimated this fact to KSTDC giving their particulars including address for communication by fax (Registered Bidders). Bidders shall promptly acknowledge receipt thereof to KSTDC.

In order to provide the Bidders a reasonable time to examine the Addendum, or for any other reason, KSTDC may, at its own discretion, extend the Proposal due Date.

2.9 Clarifications

A prospective Bidder requiring any clarification on the RFP document may notify KSTDC in writing and by e-mail at romt@karnatakaholidays.net. The Bidders would send in their queries latest by the Last date of receiving queries mentioned in the Schedule of Bidding Process (Section 5). KSTDC would endeavor to respond to the queries by the date mentioned in the Schedule of Bidding Process. The responses will be sent by fax / courier. KSTDC will forward its responses, at its sole discretion, to all purchasers of the RFP document and Registered Bidders, which would include the enquiry and the response of KSTDC without identifying the source of the enquiry.

C Preparation and Submission of Proposal

2.10.1 The Proposal and all related correspondence and documents should be written in English / Kannada language. Supporting documents and printed literature furnished by Bidder with the Proposal may be in any other language provided that they are accompanied by appropriate translations of the pertinent passages in English or Kannada Language. Supporting materials, which are not translated into English or Kannada, may not be considered. For the purpose of interpretation and evaluation of the proposal, English or Kannada language translation shall prevail.

2.10.2 The currency for the purpose of the Proposal shall be the Indian Rupee (INR).

2.11 Bid Security

- 2.11.1 Each Proposal shall be accompanied by a bid security for an amount of Rs. 1,00,000/- (Rupees One Lakh Only) (“Bid Security”).
- 2.11.2 The Bid Security shall be kept valid throughout the Proposal Validity Period and would need to be extended if so required by KSTDC for any extension in Proposal Validity Period.
- 2.11.3 The Bid Security shall be in the form of an irrevocable Bank Guarantee issued by a schedule bank in India in favour of KSTDC as per the format set out in Appendix D or Demand draft drawn in favour of KSTDC.
- 2.11.4 The Bid Security shall be returned to the unsuccessful Bidders within a period of eight (8) weeks from the date of announcement of the Successful Bidder. The Bid security submitted by the Successful Bidder shall be released upon furnishing of the Performance security as required by KSTDC.
- 2.11.5 The Bid Security shall be forfeited in the following cases:
 - a. If the Bidder modifies or withdraws his Proposal except as provided in Clause 2.18.
 - b. If the Bidder withdraws his Proposal during the interval between the Proposal Due Date and expiration of the Proposal Validity Period.
 - c. If the Successful Bidder fails to provide the Performance Security within the stipulated time or any extension thereof provided by KSTDC; and
 - d. If any information or document furnished by the Bidder turns out to be misleading or untrue in any material respect.

2.12 Validity of Proposal

The Proposal shall indicate that it shall remain valid for a period not less than forty (40) weeks from the Proposal Due Date (“proposal Validity period”) in the format set out in Appendix A. KSTDC reserves the right to reject any Proposal that does not meet this requirement.

2.13 Extension of Validity of Proposal

- 2.13.1 In exceptional circumstances, prior to expiry of the original Proposal Validity Period, KSTDC may request Bidders to extend the Proposal Validity Period for a specified additional period.
- 2.13.2 A Bidder may refuse the request without forfeiting of its Bid Security. However, in such circumstances such bidder will not be considered. A Bidder agreeing to the request will not be allowed to modify its Proposal, except as provided under Clause 2.18 but would be required to extend the validity of its Bid Security for the period of extension and comply with Clause 2.11 of this document.
- 2.13.3 The Successful Bidder shall, where required, shall extend the Proposal Validity Period till the date of execution of the License Agreement.

2.14 Format and Signing of Proposal

- 2.14.1 Bidders would provide all the information as per this RFP and in the specified format. KSTDC would evaluate only those proposals that are received in the required format and complete in all respects.
- 2.14.2 The proposals shall be submitted in two parts:

Part I Submission

This shall include the following:

- a. Covering Letter-cum-Project Undertaking, clearly stating the validity of the Proposal as per format enclosed as Appendix A;
- b. Power of Attorney for Signing of Proposal(s) as per the format enclosed as Appendix B;
- e. Anti-Collusion Certificate as per the format enclosed as Appendix C;
- f. Bid Security in the form of Bank Guarantee as per the Format enclosed as Appendix D (separate for each Project);
- g. Details of Bidder along with supporting documents as per the format enclosed as Appendix E;
- h. Experience Statement of the Bidder as per the format enclosed as Appendix F;
- i. Financial Capability of the Bidder as per the format enclosed as Appendix G; and
- j. Bank Draft towards the cost of the RFP Document (in case the same has been downloaded from the website). In case the document is purchased from KSTDC, a photocopy of the receipt of the payment is to be enclosed.

Part II Submission

This shall include a License Payment Offer as per formats set out in Appendix H.

The Bidder shall prepare one (1) original of the documents comprising the proposal and clearly marked “ORIGINAL”. In addition, the Bidder shall make one(1) copy of the Proposal, clearly

marked "COPY". In the event of any discrepancy between the original and the copy, the original shall prevail.

2.14.3 If the Proposal consists of more than one volume, Bidder must clearly number the volumes and provide an indexed table of contents.

2.14.4 The Proposal and its copy shall be typed or written in indelible ink and the Bidder shall initial each page. All the alterations, omissions, additions, or any other amendments made to the Proposal shall be initialed by the person(s) signing the proposal.

2.15 Sealing and Marking of Proposals

2.15.1 The Bidder shall seal the part I and Part II of the Proposal in separate envelopes, duly marking the envelopes as "PART I SUBMISSION" and "PART II SUBMISSION".

The "PART I SUBMISSION" envelope and "PART II SUBMISSION" envelope (containing separate sealed offers for each individual project), should then be placed in a single outer envelope and sealed.

2.15.2 The Bidder shall seal the original and copy of the Proposal in separate envelopes, duly marking the envelopes as "ORIGINAL" and "COPY". The envelopes shall then be sealed in an outer envelope

2.15.3 All the envelopes shall indicate the Name and Address of the Bidder.

2.15.4 Each envelope shall clearly bear the following identification:

Part I submission or Part II submission as the case may be

2.15.5 All the envelopes shall be addressed to:

Managing Director

Karnataka State Tourism Development Corporation Limited

No.49, II Floor, Khanija Bhavan, West Entrance, Race Course Road,

Bangalore-560 001

2.15.6 If the envelopes are not sealed and marked as instructed above, the Proposal may be deemed to be non-responsive and liable for rejection. KSTDC assumes no responsibility for the misplacement or premature opening of the Proposal submitted if the same is not in accordance with the prescribed format. However KSTDC reserves its right to consider any of the proposals with minor errors at its discretion.

2.16 Proposal Due Date

2.16.1 Proposals should be submitted before 1700 hours 1ST on the Proposal Due Date mentioned in the Schedule of Bidding Process, to the address provided in Clause 2.15.5 in the manner and form as detailed in this RFP. Proposals submitted by either facsimile transmission or telex will not be accepted

2.16.2 KSTDC may, in exceptional circumstances, and at its sole discretion, extend the Proposal Due Date by issuing an Addendum in accordance with Clause 2.8 uniformly for all Bidders.

2.17 Late Proposals

Any Proposal received by KSTDC after the Proposal Due Date will be returned unopened to the Bidder.

2.18 Modifications/ Substitution/ Withdrawal of Proposals

2.18.1 The Bidder may modify, substitute, or withdraw its Proposal after submission, provided that written notice of the modification, substitution, or withdrawal is received by KSTDC by the Proposal Due Date. No Proposal shall be modified, substituted, or withdrawn by the Bidder after the Proposal Due Date.

2.18.2 The modification, substitution, or withdrawal notice shall be prepared, sealed, marked, and delivered in accordance with Clause 2.14 and 2.15, with the envelopes being additionally marked "MODIFICATION", "SUBSTITUTION" or "WITHDRAWAL", as appropriate.

2.18.3 Withdrawal of a Proposal during the interval between the Proposal Due Date and expiration of the Proposal Validity Period would result in forfeiture of the Bid Security in accordance with Clause 2.11 of this document.

2.19 Pre-Proposal Meeting

- 2.19.1 To clarify and discuss issues with respect to the Project and the RFP, KSTDC is holding a Pre-Proposal meeting on 03.07.2010 at 15.45 hrs. If required KSTDC, at its discretion, may hold additional Pre bid meetings also.
- 2.19.2 Prior to the Pre-Proposal meeting(s), the Bidders may submit a list of queries and propose deviations, if any, to the Project(s) requirements and/or the License Agreement. Bidders must formulate their queries and forward the same to KSTDC as per Schedule of Bidding Process prior to the meeting. KSTDC may, in its sole discretion or based on inputs provided by Bidders that it considers acceptable, amend the RFP.
- 2.19.3 Bidders may note that KSTDC will not entertain any deviations to the RFP at the time of submission of the Proposal or thereafter. The Proposals to be submitted by the Bidders would have to be unconditional and unqualified and the Bidders would be deemed to have accepted the terms and conditions of the RFP with all its contents including the Draft License Agreement. Any conditional Proposal shall be regarded as nonresponsive and would be liable for rejection.
- 2.19.4 KSTDC will endeavor to hold the Pre-Proposal meeting(s) as per the Schedule of Bidding Process. In case of any changes the details of the meeting(s) will be separately communicated to the Bidders.
- 2.19.5 Attendance of the Bidders at the Pre-Proposal meeting(s) is not mandatory. However, subsequent to the meeting, KSTDC may not respond to queries from any Bidder who has not attended the Pre-Proposal meeting.
- 2.19.6 All correspondence / enquiries should be submitted to the following in writing by registered post / courier: to the address
- Managing Director
Karnataka State Tourism Development Corporation limited
No.49, II Floor, Khanija Bhavan, West Entrance, Race course Road Bangalore - 560 001,
Karnataka
- 2.19.7 No interpretation, revision, or other communication from KSTDC regarding this solicitation is valid unless it is in writing and is signed by Managing Director, KSTDC. KSTDC may choose to send to all Bidders, written copies of KSTDC's responses, including a description of the enquiry, but without identifying its source, to all the Bidders.

D. Evaluation of Proposal

2.20 Proposal Opening

- 2.20.1 KSTDC would open the Proposals on any working day within 30 days of the Proposal Due Date for the purpose of evaluation.
- 2.20.2 Proposals for which an acceptable notice of withdrawal has been submitted in accordance with Clause 2.18 shall not be opened.
- 2.20.3 KSTDC would subsequently examine and evaluate Proposals in accordance with the criteria set out in Section 3 and 4.
- 2.20.4 KSTDC reserves the right to reject any Proposal, if:
- a. At any time, a material misrepresentation is made or discovered;
 - Or
 - b. The Bidder does not respond promptly and diligently to requests for supplemental information required for the evaluation of the Proposal.

2.21 Confidentiality

Information relating to the examination, clarification, evaluation, and recommendation for the Bidders shall not be disclosed to any person not officially concerned with the process. KSTDC will treat all information submitted as part of the Proposals in confidence and would require all those who have access to such material to treat the same in confidence. KSTDC will not divulge any such information unless it is ordered to do so by any authority pursuant to applicable law or order of a competent court or tribunal, which requires its disclosure.

2.22 Tests of Responsiveness

2.22.1 Prior to evaluation of Proposals, KSTDC will determine whether each Proposal is responsive to the requirements of the RFP. A Proposal shall be considered responsive if:

- a. It is received before 1700 Hrs (1ST) on the Proposal Due Date including any extension thereof pursuant to Clause 2.16.2;
- b. It is signed, sealed and marked as stipulated in Clause 2.15;
- c. It contains the information and documents as requested in the RFP;
- d. It contains information in formats specified in the RFP;
- e. It mentions the validity period as set out in Clause 2.12;
- f. It provides the information in reasonable detail. ("Reasonable Detail" means that, the information can be reviewed and evaluated by KSTDC without communication with the Bidder). KSTDC reserves the right to determine whether the information has been provided in reasonable detail; and
- g. There are no inconsistencies between the Proposal and the supporting documents.

2.22.2 A Proposal that is substantially responsive is one that conforms to the preceding requirements without material deviation or reservation. A material deviation or reservation is one which,

- a. Affects in any substantial way, the scope, quality, or performance of the Project, or
- b. Limits in any substantial way, inconsistent with the RFP document, KSTDC's rights or the Bidder's obligations under the License Agreement, or
- c. Unfairly affects the competitive position of other Bidders presenting substantially responsive bids.

2.22.3 KSTDC reserves the right to reject any Proposal which is non-responsive and no request for alteration, modification, substitution or withdrawal shall be entertained by KSTDC in respect of such Proposals.

2.23 Consultant(s) or Advisor(s)

To assist in the examination, evaluation, and comparison of Proposals, KSTDC may utilise the services of consultant(s) or advisor(s).

2.24 Clarifications

To assist in the process of evaluation of Proposals, KSTDC may, at its sole discretion, ask any Bidder for clarification on its Proposal or substantiation of any of the submissions made by the Bidder. The request for such clarification or substantiation and the response shall be in writing or by facsimile. No material change in the substance of the Proposal would be permitted by way of such clarification/ substantiation.

2.25 Proposal Evaluation: Part I Submissions

2.25.1 The Part I Submissions of the Proposals would first be checked for responsiveness with the requirements of the RFP.

2.25.2 The evaluation of the Part I Submissions shall consist of checking the suitability of the Bidders in order to meet the Criteria for Qualification set out in Section 3.

2.25.3 The evaluation of the Part II Submissions would be taken up only after the contents of the Part I Submissions are found to meet the requirements of this RFP. KSTDC reserves the right to reject the Proposal of a Bidder without opening the Part II Submission if, in its opinion, the contents of Part I

Submission are not substantially responsive with the requirements of this RFP.

2.25.4 The envelope containing the Part II Submissions of the Bidders who do not meet the Criteria for Qualification shall be returned unopened to such Bidders.

2.26 Proposal Evaluation: Part II Submissions

2.26.1 The Part II Submissions would be evaluated on the basis of the Criteria for Evaluation set out in Section 4. The Bidder offering the best proposal as per the evaluation criteria indicated in Section 4 shall be declared as the Preferred Bidder for the Project.

2.27 Declaration of Successful Bidder

2.27.1 KSTDC may either choose to accept the Proposal of the Preferred Bidder or invite it for negotiations.

2.27.2 Upon acceptance of the Proposal of the Preferred Bidder with or without negotiations, KSTDC shall declare the Preferred Bidder as the Successful Bidder.

2.28 Notifications

KSTDC will notify the Successful Bidder by facsimile or by a letter, Letter of Award (LOA) that the Proposal has been accepted.

2.29 KSTDC's Right to Accept or Reject Proposal

2.29.1 KSTDC reserves the right to accept or reject any or all of the Proposals without assigning any reason and to take any measure as it may deem fit, including annulment of the bidding process, at any time prior to signing of agreement, without liability or any obligation for such acceptance, rejection or annulment.

2.29.2 KSTDC reserves the right to invite revised Proposals from Bidders with or without amendment of the RFP at any stage, without liability or any obligation for such invitation and without assigning any reason.

2.29.3 KSTDC reserves the right to reject any Proposal if at any time:

- a. A material misrepresentation made at any stage in the bidding process is uncovered; or
- b. The Bidder does not respond promptly and thoroughly to requests for supplemental information required for the evaluation of the Proposal.

This would lead to the disqualification of the Bidder. If such disqualification/ rejection occurs after the Proposals have been opened and the Successful Bidder gets disqualified/ rejected, then KSTDC reserves the right to:

- a. Declare the Bidder receiving the next highest score as the Preferred Bidder and where warranted, invite such Bidder to equal or better the score secured by such disqualified Successful Bidder; or
- b. Take any such measure as may be deemed fit in the sole discretion of KSTDC, including annulment of the bidding process.

2.30 Acknowledgement of Letter of Acceptance (LoA) and Execution of License Agreement

2.30.1 Within two (2) weeks from the date of issue of the LoA, the Successful Bidder shall acknowledge the LoA and return the same to KSTDC. The Successful Bidder shall execute the License Agreement, and simultaneously pay the refundable interest free security deposit, which is equivalent to 12 months license fee and the quarterly license fee as bid by him.

2.31

A. Within two (2) weeks from the date of issue of the LOA, the Successful Bidder shall send an

acknowledgement agreeing to comply with the conditions set out therein and for the execution the License Agreement. Along with its acknowledgement of the LOA, the Successful Bidder shall pay the Legal Service Charges towards preparation of bid documents as stated in Appendix I, payable by demand draft in favour of "M.I.Arun." payable at Bangalore, failing which KSTDC shall pay the same to Sri.M.I.Arun and deduct the same out of the License fee paid to it and it shall be construed as a default in payment of the License fee.

3. CRITERIA FOR QUALIFICATION

3.1

A. Eligible Entity

The Bidder should be a Business Entity involved in the business of hospitality. A Business Entity can be an individual or a company or firm registered in India or abroad. Further the business entity should be involved in running of bar / restaurant business for at least past three years. Lodging is not considered as running a bar / restaurant. KSTDC reserves the right in its discretion to decide whether the proof submitted to show the business entity is involved in the bar / restaurant business is sufficient or not.

- 3.2.1 In addition to the above, the business entity should have a turnover of Rs.75,00,000/- (Rupees Seventy Five Lakhs only) per annum for past three years from the business of bar/ restaurant. The Bidder should provide information regarding the above based on audited annual accounts for the last three financial years. The financial year would be the same as the one normally followed by the Bidder for its Annual Report.
- 3.2.2 The Proposal(s) must be accompanied by the audited annual financial statements of the Bidder for the last three (3) financial years duly certified by a chartered accountant.
- 3.2.3 In case the annual accounts for the latest financial year are not audited and therefore the Bidder could not make it available, the Bidder shall give an undertaking to that effect and the statutory auditor shall certify the same. In such a case, the Bidder may provide the unaudited Annual Accounts (with Schedules) for the latest financial year. In any case, the Audited Annual Financial Statements for three (3) years preceding the latest financial year would have to be provided, before opening of the bids failing which the Proposal can be rejected as non-responsive. However giving extension of time will be at the sole discretion of KSTDC.

Details of Experience

- 3.3.1 The Bidder should furnish the details of eligible experience as on the date of submission of the Proposal(s).
- 3.3.2 The Bidder should furnish adequate evidence to support its claim as per Appendix F.
- 3.3.3 Bidders meeting both the Experience Criteria and Financial Capability Criteria shall be declared as Qualified Bidders

4. CRITERIA FOR EVALUATION

4.1 Evaluation Parameters

- 4.1.1 The Part II Submissions of only the Qualified Bidders would be evaluated for selection of the Preferred Bidder.
- 4.1.2 The Proposal of the Bidders for each of the Projects would be evaluated on the basis of Financial Proposal (License Payments to KSTDC) Offer.

4.2 License Payment Offer

- 4.2.1 The Successful Bidder, if he achieves a turnover of more than Rs.75 lakhs per annum, then has to pay 15% of the turnover over and above Rs.75 Lakhs as a part of license fee in addition to the license fee that he is bidding pursuant to this tender. The bidder is required to submit his

proposal for the amount he is willing to pay as License fee annually which shall be in addition to 15% of the turnover for the amount over and above Rs.75 Lakhs. (i.e, if the turnover is Rs.80 Lakhs the successful bidder shall pay the license fee of the amount quoted by him plus Rs.75,000/-). The highest bidder will be selected by KSTDC, subject to the bidder fulfilling all other terms and conditions of the RFP. The annual fee shall be divided by four and has to be paid in a regular quarterly instalments. The turn over fee of 15% for over and above Rs.75 Lakhs shall be paid at the end of the financial year. The bidder shall also pay an amount equivalent to one years' bid amount as refundable security deposit.

4.2.2 The Minimum reserve price for the bid shall be Rs.10,00,000/- (Rupees Ten Lakh only) and the bid amount should be more than that.

4.3 Special Conditions Relating to Selection of Successful Bidder

4.3.1 In the event that two or more Proposals quote exactly the same License Payment Offer then KSTDC reserves the right either to, take any such measure as may be deemed fit in its sole discretion, including negotiating with the highest bidders to increase the bid amount or even annulment of the bidding process.

5. SCHEDULE OF BIDDING PROCESS

KSTDC would endeavour to adhere to the following schedule:

Last date for sale of RPF Document :-08-07-2010 Time : on or before 5.00 p.m

Pre-bid meeting (Last date for receiving queries) :03-07-2010 Time : at 03.45 p.m

Last date for Submission of Proposal 09.07.2010 Time : on or before 5.00 p.m

The Pre-Bid Meeting would be held at the office of Managing Director, Karnataka State Tourism Development Corporation Limited, No.49, II Floor, Khanija Bhavan, West Entrance, Race course Road Bangalore - 560 001, Karnataka Phone: 080 - 22352384, 22352901/ 02/ 03

Any changes to the above would be posted on the website www.karnatakaholidays.net

(TO BE SUBMITTED AS PART OF PART 1 SUBMISSION)

FORMAT FOR COVERING LETTER-CUM-PROJECT UNDERTAKING

(On the letterhead of the Bidder)

Date:

To
Managing Director
Kamataka State Tourism Development Corporation limited NO.49, II
Floor
Khanija Bhavan, West Entrance Race
Course Road
Bangalore - 560 001

Dear Sir:

Ref: License for bar and restaurant at Hotel Mayura Valley View Madikeri

Being duly authorized to represent and act on behalf of
(hereinafter referred to as "The Bidder"), and having reviewed and fully understood all of the information provided in the Request for Proposal (RFP) document provided to us by KSTDC in respect of the captioned Project, the undersigned hereby submits the Proposal in response to the RFP.

For your evaluation, we are enclosing our Proposal in one (1) original and one (1) copy, with the details as per the requirements of the RFP for the project Bar and Restaurant at Hotel Mayura Valley View, Madikeri.

We confirm that our Proposal is valid for a period of Forty (40) weeks from (Proposal Due Date).

We also hereby agree and undertake as under:

Notwithstanding any qualifications or conditions, whether implied or otherwise, contained in our Proposal we hereby represent and confirm that our Proposal is unqualified and unconditional in all respects and we agree to the terms of the proposed License Agreement, a draft of which also forms a part of the RFP document provided to us.

Signature of the Authorized Person
(Name, Designation and Address)

Note: On the letterhead of the bidder

APPENDIX B

(TO BE SUBMITTED AS PART OF PART 1 SUBMISSION IF APPLICABLE)

FORMAT FOR POWER OF ATTORNEY FOR SIGNING OF PROPOSAL IN CASE OF COMPANY OR PARTNERSHIP FIRM

(On Stamp paper of relevant value)

POWER OF ATTORNEY

Know all men by these presents, I / We*(name and address of the registered office)* do hereby constitute, appoint and authorise Mr / Ms..... *(name and residential address)* who is presently employed with us and holding the position of / is one of the partner of the firm / , as our attorney, to do in our name and on our behalf, all such acts, deeds and things necessary in connection with or incidental to our bid for the Project including signing and submission of all documents and providing information/ responses to Karnataka State Tourism Development Corporation limited in all matters in connection with our Proposal for taking the bar and restaurant business at Hotel Mayura Valley View, Madikeri on License basis.

We hereby agree to ratify all acts, deeds and things lawfully done by our said attorney pursuant to this Power of Attorney and that all acts, deeds and things done by our aforesaid attorney shall and shall always be deemed to have been done by us

Dated this the Day of _____ 2010

For_____

(Name and designation of the person(s) signing on behalf of the Bidder)

Accepted

(_____ Signature)

(Name, Title and Address of the Attorney)

Date :

Note:

1.The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required the same should be under common seal affixed in accordance with the required procedure

2. Also, wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a resolution/ power of attorney in favour of the Person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.

3.In case the Proposal is signed by an authorised Director, a certified copy of the appropriate resolution/ document conveying such authority may be enclosed in lieu of the Power of Attorney.

(TO BE SUBMITTED AS PART OF PART 1 SUBMISSION)

FORMAT FOR ANTI-COLLUSION CERTIFICATE

(On the letterhead of the Bidder)

Anti-Collusion Certificate

We hereby certify and confirm that in the preparation and submission of our Proposal for taking the bar and restaurant at Mayura Valley View, Madikeri, we have not acted in concert or in collusion with any other Bidder or other person(s) and also not done any act, deed or thing which is or could be regarded as anti-competitive.

We further confirm that we have not offered nor will offer any illegal gratification in cash or kind to any person or agency in connection with the instant Proposal.

Dated this Day of, 2010

Name of the Bidder)

(Signature of the Authorised Person)

(Name of the Authorised Person)

APPENDIX -D

(TO BE SUBMITTED AS PART OF PART 1 SUBMISSION)

FORMAT FOR BID SECURITY
(To be issued by a Scheduled Bank in India)

B.G. No. _____ dated _____

This Deed of Guarantee executed at ____ by _____ (Name of Bank) having its Head/ Registered office at _____ (hereinafter referred to as "the Guarantor") which expression shall unless it be repugnant to the subject or context thereof include its, successors and assigns;

In favour of The Karnataka State Tourism Development Corporation limited, (hereinafter called "KSTDC") having its office at NO.49, II Floor, Khanija Bhavan, West Entrance, Race Course Road, Bangalore - 560 001, which expression shall unless it be repugnant to the subject or context thereof include its successors and assigns;

WHEREAS

- A. M/s. (*description of the bidder*) (hereinafter called "the Bidder") which expression shall unless it be repugnant to the subject or context thereof include its/ their executors administrators, successors and assigns, intends to bid for taking the bar and restaurant at Mayura Valley View, Madikeri,
- B. In terms of Clause 2.11 of the Request for Proposal Document dated _____ issued in respect of the Project (hereinafter referred to as "RFP Document") the Bidder is required to furnish to KSTDC an unconditional and irrevocable Bank Guarantee for an amount of RS.1,00,000/- (Rupees One Lakh only) as Bid Security for the Project.
- C. The Guarantor has at the request of the Bidder and for valid consideration agreed to provide such Bank Guarantee being these presents:

NOW THEREFORE THIS DEED WITNESSETH AS FOLLOWS:

- a. The Guarantor, as primary obligor shall, without demur, pay to KSTDC an amount not exceeding Rs. 1,00,000/- (Rupees One Lakh only), within 5 days of receipt of a written demand from KSTDC calling upon the Guarantor to pay the said amount.
- b. Any such demand made on the Guarantor by KSTDC shall be conclusive and absolute as regards the forfeiture of Bid Security and the amount due and payable by the Guarantor under this Guarantee.
- c. The above payment shall be made without any reference to the Bidder or any other person and irrespective of whether the claim of KSTDC is disputed by the Bidder or not.
- d. This Guarantee shall be irrevocable and remain in full force for a period of (proposal validity period) from (date) _____ or for such extended period as may be mutually agreed between KSTDC and the Bidder and shall continue to be enforceable till all amounts under this Guarantee are paid.
- e. The Guarantee shall not be affected by any change in the constitution or winding up of the Bidder/ the Guarantor or any absorption, merger or amalgamation of the Bidder/ the Guarantor with any other person.

- f. In order to give full effect to this Guarantee, KSTDC shall be entitled to treat the Guarantor as the principal debtor. The obligations of the Guarantor shall not be affected by any variations in the terms and conditions of the RFP Document or other documents or by extension of time of performance of any obligations granted to the Bidder or postponement non exercise/ delayed exercise of any of its rights by KSTDC against the Bidder or any indulgence shown by KSTDC to the Bidder and the Guarantor shall not be relieved from its obligations under this Bank Guarantee on account of any such variation, extension, postponement, non exercise, delayed exercise or omission on the part of KSTDC or any indulgence by KSTDC to the Bidder to give such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving the Guarantor.
- g. The Guarantor has power to issue this Guarantee and discharge the obligations contemplated herein, the undersigned is duly authorised to execute this Guarantee pursuant to the power granted under _____

IN WITNESS WHEREOF THE GUARANTOR HAS SET ITS HANDS HEREUNTO ON THE DAY, MONTH AND YEAR FIRST HEREINABOVE WRITIEN.

Signed and Delivered by _____ Bank

by the hand of Mr _____

its _____ and authorised official.

(TO BE SUBMITTED AS PART OF PART 1 SUBMISSION)

DETAILS OF BIDDER

PHOTO OF BIDDER

1.
 - (a) Name
 - (b) Address of office
 - (c) Date of incorporation and/ or commencement of business.

2. Brief description of the Bidder including details of its main lines of business and proposed role and responsibilities in the Project.

3. Details of individual(s) who will serve as the point of contact communication with KSTDC:
 - (a) Name
 - (b) Designation
 - (c) Company
 - (d) Address
 - (e) Telephone Number
 - (f) E-Mail Address
 - (g) Fax Number
 - (h) Mobile Number

4. Name, Designation, Address and Phone Numbers of Authorised Signatory of the Bidder:
 - (a) Name
 - (b) Designation
 - (c) Company
 - (d) Address
 - (e) Telephone Number
 - (f) E-Mail Address
 - (g) Fax Number
 - (h) Mobile Number

SIGNATURE

APENDIX-F

(TO BE SUBMITTED AS PART OF PART 1 SUBMISSION)

**THE BIDDER SHOULD ISSUE A STATEMENT REGARDING THE EXPERIENCE OF
BIDDER IN HOSPITALITY INDUSTRY**

List of documents proving the same as required in Section-3 of the RPF document.

Note:

1. Apart from complying to what is mentioned in Section 3 of the RPF Document, Bidders are expected to provide information in respect of hotels/ restaurants/ bars in this section. Wherever the context so requires, the term hotel herein also refers to restaurants and bars.
2. The Bidder should provide details of only those properties operating by it under its own name. Operating experience of the Bidder's parent company/ firm or its subsidiary or any associate company/ firm would not be considered for qualification purpose.
3. Should provide such documents which shows conclusively that the bidder is running a bar / restaurant and KSTDC has the sole discretion whether to accepts such proof or not.

(On the Letter head of the Auditor)

TO WHOMSOEVER IT MAY CONCERN

We have verified the relevant statutory and other records of M/s-----[Name of the Bidder], and certify that the profits from operations of the -----Hotel (name of the hotel/ restaurant) accrues to M/s -----[Name of the Bidder]. We also certify that the Hotel (name of the hotel/ restaurant) has been functioning since (Date of commencement of operation) with __ This certificate is being issued to be produced before Karnataka State Tourism Development Corporation limited.

Signature and Rubber stamp of the Auditor clearly
indicating his/her membership number

It may be noted that in the absence of the above information, the Proposal could be considered non-responsive.

(TO BE SUBMITTED AS PART OF PART 1 SUBMISSION)

FINANCIAL CAPABILITY OF BIDDER

The Bidder should provide the Financial Capability based on its own financial statements. Financial Capability of the Bidder's parent company or its subsidiary or any associate company will not be considered for computation of the Financial Capability of the Bidder.

The bidder should provide its financial capability for past three years showing that the turn over duly supported by the tax audit report duly certified by the chartered accountant exceeds Rs.75 Lakhs for past three years from bar and restaurant.

APPENDIX – H

(TO BE SUBMITTED AS PART OF PART 2 SUBMISSION)

FORMAT FOR PART II SUBMISSION

I / We _____ (name of the bidder) hereby offer to pay annual License Payment, of Rs. _____ (rupees in words), one fourth of it being payable once in every three months towards the license fee for running the bar and restaurant at Mayura Valley View, Madikeri,.

(signature of the bidder with seal)

APPENDIX-I

A sum of Rs.22,500/- as legal service charges towards preparation of bid documents shall be payable by the successful bidder, as against each properties that he has successfully bid, in the name of Sri.M.I.Arun, as stated in clause 2.30.2,