

Kannur International Airport Limited



RFP No:-KIAL/COO/65/2020-21

**Request for Proposal (RFP) for Selection of an Agency for
Setting up and Operating Shopping Arcade**

at

Kannur International Airport

December 2020

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Kannur International Airport Limited
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DISCLAIMER

The information contained in this Request for Proposal document (the “RFP”) or subsequently provided to Bidder(s), whether verbally or in documentary or any other form by or on behalf of the Kannur International Airport Limited, hereinafter called “Kannur Airport”, or any of their employees or advisors, is provided to Bidder(s) on the terms and conditions set out in this RFP and such other terms and conditions subject to which such information is provided

This RFP is neither an agreement/offer nor an invitation by the Kannur Airport to the prospective Bidders or any other person. The purpose of this RFP is to provide interested parties with information that may be useful for them in making their financial offers pursuant to this RFP (the “Bid”). This RFP includes statements, which reflect various assumptions and assessments arrived at by the Kannur Airport in relation to the Project. Such assumptions, assessments and statements do not purport to contain all the information that each Bidder may require. This RFP may not be appropriate for all persons, and it is not possible for the Kannur Airport, its employees or advisors to consider the investment objectives, financial situation and particular needs of each party who reads or uses this RFP. The assumptions, assessments, statements and information contained in this RFP may not be complete, accurate, adequate or correct. Each Bidder shall therefore conduct its own investigations and analysis and shall check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in this RFP and obtain independent advice from appropriate sources.

Information provided in this RFP to the Bidder(s) is on a wide range of matters, some of which depends upon interpretation of law. The information given is not an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law. The Kannur Airport accepts no responsibility for the accuracy or otherwise for any interpretation or opinion on law expressed herein.

The Kannur Airport, its employees and advisors make no representation or warranty and shall have no liability to any person, including any Bidder or Bidder under any law, statute, rules or regulations or tort, principles or restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in this RFP or otherwise, including the accuracy, adequacy, correctness, completeness or reliability of the RFP and any assessment, assumption, statement or information contained therein or deemed to form part of this RFP or arising in any way in this Bid Stage.

The Kannur Airport also accepts no liability of any nature whether resulting from negligence or otherwise howsoever caused arising from reliance of any Bidder upon the statements contained in this RFP.

Kannur Airport may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this RFP. Such changes if any shall be published in the website of Kannur International Airport Ltd. (www.kannurairport.aero).

The issue of this RFP does not imply that the Kannur Airport is bound to select a Bidder or to appoint the Selected Bidder as the case may be, for the Project and the Kannur Airport reserves the right to reject all or any of the Bidders or Bids without assigning any reason whatsoever.

The Bidder shall bear all the costs associated with or relating to the preparation and submission of its Bids including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by the Authority or any other costs incurred in connection with or relating to its Bid. All such costs and expenses will remain with the Bidder and the Kannur Airport shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by a Bidder in preparation or submission of the Bid, regardless of the conduct or outcome of the Bidding Process.

1. Introduction

Background and Project Information:

Kannur International Airport Limited is a public limited company set up by the Government of Kerala to build, own and operate Kannur International Airport. This is the fourth international airport in Kerala.

The airport commenced operations on 9th December 2018 and handled 1.58 million passengers and 15100 Aircraft Movements in Financial Year 2019-20. In the said Financial Year, four airlines - Indigo, Go Air, Air India Express and Air India operated at Kannur International Airport.

The major passenger traffic in the region comprises emigrants flying predominantly to the Middle East. Almost 50% of Kerala emigrants are from districts such as Kasaragod, Kannur, Kozhikode, Wayanad and Malappuram. Thus, the catchment area for the airport comprises the districts of Kannur, Kasaragod, Wayanad and other parts of North Kerala (Malappuram and Kozhikode) and covers a broader region comprising Dakshin Kannada (Mangaluru region), Coorg, Mysuru, Ooty, etc.

Kannur Airport has a vision to make the Airport one of the highest international standards with emphasis on safety and security, functionality and flexibility, environmentally sustainable practices, high level of service for the passengers, providing modern architecture and efficient and environment-friendly operations.

Pursuant thereto, Kannur Airport is inviting proposals for the Selection and Appointment of an Agency for Setting up and Operating Shopping Arcade at Kannur International Airport.

Kannur Airport has earmarked space at 80 M (Basement) Level of Passenger Terminal Building for this purpose with a view to provide better facilities and services to the airport users.

2. Request for Proposal:

Kannur Airport intends to select a reputed and experienced agency for Setting up and Operating a Shopping Arcade at 80 M (Basement) Level of Passenger Terminal Building at Kannur International Airport as detailed in Annexure-I.

Accordingly, Kannur Airport is hereby inviting proposals from reputed, resourceful and experienced agencies to submit their proposal for consideration and evaluation for Setting up

and Operating a Shopping Arcade at 80 M (Basement) Level of Passenger Terminal Building at Kannur International Airport.

3. **Scope of the Services / Facilities:**

The selected Bidder shall plan, develop, design, build, finance, operate, maintain and manage a Shopping Arcade (hereinafter called as the "Project") in accordance with the Applicable Laws, Good Industry Practices, and Set Up Plan approved by Kannur Airport, as well as arrangement of requisite finance, goods/items, equipment, machinery, security, licences and other clearances and permits as required at its own costs as set out in Annexure-I. If any services, functions or responsibilities are not specifically described herein or in any other related document(s) which are an inherent, necessary, ancillary and/ or customary part of the Services or are reasonably required for proper performance of the Services in accordance with the RFP, they shall be deemed to be included within the scope of services as if such services, functions or responsibilities were specifically described in this RFP.

4. **Key Terms and Conditions:**

- 4.1 **RFP Document Fee:** The RFP documents can be downloaded from Kannur Airport's website www.kannurairport.aero. The bidder shall pay Kannur Airport a sum of INR 6,000/- (Rupees Six Thousand Only inclusive of GST) (the "RFP Document Fee") as the cost of the RFP process which is non-refundable. The Bidder shall deposit the RFP Document Fee by RTGS/NEFT to Kannur Airports' Bank Account and the details of remittance should be attached along with the Proposal.

Bank Account Details

Beneficiary Name : KANNUR INTERNATIONAL AIRPORT LIMITED
Beneficiary Bank : SOUTH INDIAN BANK, MATTANNUR
Account Number : 0782073000000001
RTGS / IFSC CODE : SIBL0000782

- 4.2 **Area Available:** Required space can be allotted to the selected bidder. Interested Bidder may submit requirement of space while submitting the Proposal.
- 4.3 **Concession Term:** The Concession Term shall be valid for 7 years from the date of Letter of Award. Subject to good performance and timely payment of all dues to the airport by the Selected

Bidder, the Kannur Airport may consider extension of the contract for another 3 years on terms and conditions to be decided at the appropriate time.

4.4 Concession Fee:

The Concession Fee will consist of Space Rent for the Space allotted by Kannur Airport as well as Revenue Share as described below:

- a. The Space Rent (Non Air Conditioned) at Kannur International Airport is Rs. 850/- per Sqm per month (effective from 9th December 2020) plus applicable taxes with an annual compounded escalation of 10% from subsequent years.
- b. Kannur Airport desires interested bidders to quote the Space Rent they will pay per Sqm per month. Space Rent is subject to an annual compounded escalation of 10% per annum.
- c. In addition to the Space Rent, Kannur Airport expects that the interested Bidder will pay 7.5% of the Gross Revenue ("Revenue Share Percentage earned from all the sources") from the Commercial Operation Date for two years and thereafter it will increase by 2.5% year on year for the remaining 5 years period. Bidders, however, may quote the percentage of revenue share they will pay.

4.5 CAM and Utility Charges:

- a. The selected Bidder shall pay "CAM Charges" from the commercial operations date for providing common infrastructure facilities and maintenance of common areas therein such as lifts, staircase, passages, corridors, sewerage, lighting, information technology, other analogous utilities etc. at the rate of Rs. 121/- per square meter per month on the allocated area. CAM charges shall be subject to an annual compounded escalation of 10% per annum.
- b. The selected Bidder shall also pay charges for electricity and water (on actuals) for the allocated area as "Utility Charges" from the "Access Date". Access Date means the date of Handing-Over the site to the selected Bidder by Kannur Airport.

All the Applicable Taxes including GST shall be paid by the selected Bidder in addition to the Space Rent, Revenue Share, CAM Charges and Utility Charges.

4.6 Security Deposits:

- a. The selected Bidder shall pay interest free refundable Security Deposits equivalent to 12 months against the Concession Fee, CAM Charges and Utility Charges to Kannur Airport.
- b. The selected Bidder shall deposit above cited Security Deposits within 15 days from the date of Letter of Award by RTGS/NEFT to Kannur Airports' Bank Account.
- c. The Security Deposit against Space Rent and CAM Charges shall be increased in proportion to the annual compounded escalation of 10% and the increased Security Deposit amount shall be paid at the beginning of each successive year.
- d. The selected Bidder agrees and acknowledges that Kannur Airport shall not be liable to pay any interest on the Security Deposits.

4.7 Eligibility Criteria of Bidders:

For determining the eligibility of Bidders for their technical qualification, the following shall apply:

- a. The Bidder for qualification may be a single entity or a group of entities/existing joint venture, coming together to implement the Project ("Consortium"). However, no Bidder applying individually or as a Member, as the case may be, can be a member of another Bidder. The term 'Bidder' used herein would apply to both a single entity and a Consortium.
- b. A Bidder may be a private entity, government owned entity or any combination of them with a formal intent to enter into an agreement to form a Consortium.

4.7.1 Eligibility Criteria – Technical:

- a. Kannur Airport expects that Bidder shall be in the business of super market / departmental stores / hyper market and should have prior experience in operating and managing "Project" in India in the past three financial years.
- b. It is desirable that the Bidder should have an average turnover of Rs. 2 Cr (Rupees Two Crore only) in the last 3 Financial Years.

- c. It is desirable that the companies/firms, who prima facie have technical and financial capability, may submit their Proposal.

4.7.2 Eligibility Criteria – Financial:

- a. It is desirable that the Bidder should have an average annual Turnover of Rs. 2/- Cr (Rupees Two Crore only) in the last 3 Financial Years, and
- b. Positive Net Worth as on March 31, 2020 in accordance with the audited financial statements. For this purpose “Net Worth” means paid up share capital plus free reserves, excluding revaluation reserve, less accumulated losses and miscellaneous expenses yet to be written off, if any.

4.8 Submission of Business Plan:

The interested bidder shall submit a detailed Business Plan for entire term showing Investment, Development Plan, Revenue Projections, Breakeven, etc.

4.9 Construction Period:

The facility is required to be ready and operational in three months from the date of issue of Letter of Award.

4.10 Real Time Data Sharing:

The Selected Bidder shall deploy (on its own cost) a state of the art technology framework in accordance with applicable laws and best industry practices to ensure that the relevant sales and other requested data is transferred to Kannur Airport on real time basis, starting from the date of commencement of Shopping Arcade operations.

The Selected Bidder shall facilitate extraction of relevant transaction data automatically from the source of transaction by Kannur Airport on a daily basis or at such other intervals, as specified by Kannur Airport.

4.11 Condition on Employment of people from Evictee category:

The Selected Bidder shall endeavour to employ local personnel based on their qualifications and shall further endeavour to give preference in employment to members of the evictee families,

(not more than one person from each family), whose houses have been acquired in establishing the Airport as per the list of families provided by Kannur Airport to the Selected Bidder.

In addition, the Selected Bidder shall give priority in employing other local candidates, based on their qualifications provided such employment shall be subject to qualification and selection process adopted by the Selected Bidder for employment of personnel for various posts.

4.12 Timelines for Document Submission:

Schedule	Timelines
Date of issue of RFP	2 December 2020
Last date for clarifications (if required) from Bidder(s)	8 December 2020, 1700 hrs
Pre Bid Meeting(through Video Conference)	11 December 2020, 1500 hrs
Clarifications of Bidders' queries	18 December 2020, 1700 hrs
Presentation by interested Bidders	22 December 2020, 1100 hrs
Last date of submissions of Proposal	29 December 2020, 1700 hrs

4.13 Issuance of RFP Document:

Bidders shall download the RFP document from Kannur Airport website and submit the Proposals along with the RFP Document Fee as set out in Clause 4.12 (Timelines) to Kannur Airport through e-mail commercial@kannurairport.aero. Corrigendum/amendment(s)/ notification(s) related to this RFP document will be published on the Kannur Airport website www.kannurairport.aero. Kannur Airport shall not entertain any Correspondence / Proposal from any other interested parties/ agencies after the last date of submission of RFP as set out hereinabove.

5. Submission of Documents:

The Bidder has to submit valid documents related to Technical & Financial eligibilities as mentioned in Clause 4.7 of this RFP along with details of remittance of RFP Document Fee and Financial Bid as set out in Annexure II.

SCOPE OF WORK/ SERVICES

Kannur Airport is engaged in the business of operating and maintaining an international airport at Kannur, Kerala ('Kannur Airport').

Kannur Airport desires selected Bidder to develop a Shopping Arcade at 80 M (Basement) Level of Passenger Terminal Building at Kannur International Airport.

The "Project" is envisaged to be a centre of attraction in the airport for full filling the day to day shopping needs of airport users and local people residing nearby areas of the airport. It is expected that the Selected Bidder shall make available all day to day use products at reasonable price, without compromising quality. The proposed "Project" shall be comparable to leading supermarkets/hypermarkets in the district with respect to availability of product variety, customer experience, convenience, ease of shopping etc.

The Scope of Work is envisaged as below:

- Kannur Airport will provide bare space to the selected Bidder for the "Project" in the Basement Level of the Passenger Terminal Building at Kannur International Airport. The interested Bidder shall submit the requirement of space in their proposal.
- The works carried out by the Selected Bidder shall match with the aesthetics and general features of the airport ensuring quality as per the International Standards. The finishing schedule as well as details shall be submitted to Kannur Airport for approval. The Selected Bidder shall be bound to incorporate the comments/suggestions put forward by Kannur Airport at no cost.
- Catering to the basic grocery/day to day household shopping requirements should be the first motto of the Shopping Arcade. The basic household goods, such as cereals, grocery, vegetables, spices etc shall be made available in sufficient quality at all time of operation at the Shopping Arcade.
- It is expected to offer large variety of goods to the customers at one place which leads to large turnover and the customer is benefited on account to lesser price.

- The selected Bidder is expected to be working with an appropriate banking partner so as to give multiple payment options to the customers.
- The selected Bidder is expected to implement appropriate processes along with necessary hardware and software systems to enhance customer experience.
- It is envisaged that the selected Bidder shall make available regular goods/items such as:
 - 1) **Agriculture Produce** – Fruits, Vegetables, Spices, Nuts etc.
 - 2) **Bakery Products** - Breads, Buns, Biscuits etc.
 - 3) **Dairy Products** - Milk, Butter, Eggs, Yogurt etc.
 - 4) **Condiments** – Olive Oil, Vinegar, Mayonnaise, Ketchup etc.
 - 5) **Canned Goods** – Canned Marine Products, Vegetables, Fruits etc.
 - 6) **Pasta, Spaghetti** etc.
 - 7) **Local Products**
 - 8) **Cereals**
 - 9) **Snack Foods**
 - 10) **Meat and Meat Products**
 - 11) **Sea Food products**
 - 12) **Frozen Food** – Mutton, Chicken, Fish, Pizza, Pancakes etc.
 - 13) **Ice Creams, Bread Spreads, Butter** etc.
 - 14) **Beverages (Non Alcoholic)** – Juices, Smoothies, Syrups etc.
 - 15) **Baby Items** – Baby Food, Diapers, Baby Wipes, Baby Soap etc.
 - 16) **Pet Supplies** – Dog Food, Cat Food, Pet Toys etc.
 - 17) **Paper Goods** – Napkins, Paper Tissues, Trash bags, Aluminum Foil etc.
 - 18) **Cleaning Supplies** – Laundry Detergent, Dish Washer Gels, Glass Cleaner etc.
 - 19) **Health & Beauty** – Soap, Tooth Paste, Body Lotion, Perfumes etc.
 - 20) **Office Stationeries** – Pens, Pencils, Notebooks, Office equipments etc.
 - 21) **Miscellaneous** – Batteries, Light Bulbs, Tubes etc.
- The Value Added Services may also include:
 - Valet Parking
 - Personal Assistance for carrying goods
- The selected Bidder shall comply with the applicable statutory standards of the business, prescribed by the State and Central regulatory agencies, at all times. The bidders must note that they would be required to follow other prevalent applicable regulations of the Local,

State and Central regulatory agencies, in addition to stipulations fixed by Kannur International Airport.

- The selected Bidder shall be fully responsible for obtaining all types of permissions / licences from the Central and State Governments, Local bodies etc for carrying out the business of the “Project”
- The selected Bidder shall ensure the connection with the existing fresh water and sewerage lines of the airport at its own cost.
- The Shopping Arcade is envisaged to provide world-class shopping experience to the customers
- Interested Bidder is free to propose services / facilities which are not covered hereinabove.

FINANCIAL BID

Name of Project: Request for Proposal (RFP) for Selection of an Agency for Setting up and Operating a Shopping Arcade at Kannur International Airport.

Name of the Bidder: _____

Name of Project	Area Required (Sqm)	Space Rent Quoted (Rs. Per Sqm per month)	Revenue Share % Quoted
Setting up and Operating a Shopping Arcade at Kannur International Airport.			

Note: The above quoted rates are excluding all applicable taxes (including GST).

Signature:

Date: