

CORRIGENDUM NO.1

Request for Proposal for Selection Of Operator For Providing Air Services to various destinations in Madhya Pradesh

No: NIT No: 758/ MPTB/ 2024

System No: 2024_ MPTB _331025

06/02/2024

THE FOLLOWING ARE THE MODIFICATIONS TO THE RFP

THE DELETIONS FROM THE EARLIER TEXT OF THE RFP ARE INDICATED AS STRIKE THROUGHES AND THE ADDITIONS ARE UNDERLINED.

Sl. No.	Point No.	Provision of the RFP
i.	ii. Pre-Bid Meeting:	<p>4. Pre-Bid Meeting:</p> <p>Second pre-bid meeting will be held on 19th day of February, 2024 at 11:00AM at the following address:</p> <p style="text-align: center;">Madhya Pradesh Tourism Board 6th Floor, Lily Trade Wing, Jahangirabad, Bhopal Madhya Pradesh, India – 462008</p>
5.	<p>Section I</p> <p>Clause 2</p> <p>Brief Description of Bidding Process</p> <p>Sub-Clause 2.4</p> <p>Page No. 5</p>	<p>Clause 2.4 is hereby revised as under:</p> <p>The Bidder giving the lowest VGF per flying hour or highest Premium per flying hour as Financial Bid, provided the Bid is responsive in terms of the ITB, shall be asked by MPTB immediately after the opening of the Bids, to furnish a Bank Guarantee, of Rs 50 lakhs within 15(fifteen) days of the receipt of MPTB's letter to show its commitment (the "Commitment Security") towards its Financial Bid. The Financial Bid of the bidder quoting the LOWEST VGF/HIGHEST PREMIUM per flying hour shall be considered for declaration as the selected bidder (the "Selected Bidder") only when MPTB receives the Commitment Security within the specified time hereinabove. <u>For further clarity the below mentioned illustrations have been defined:</u></p>

		<p><u>Scenario 1:</u> <u>If two bids have been received by MPTB, namely form Bidder A and Bidder B, wherein, bidder A has quoted a VGF of INR 20,000 per flying hour and Bidder B has quoted a Premium of INR 20,000 per flying hour. In such a case Bidder B will be awarded the project since they have quoted Premium. Thus, premium will be given precedence over VGF.</u></p> <p><u>Scenario 2:</u> <u>Alternatively, if two Bids are received from Bidder X and Bidder Y by MPTB, where Bidder X has quoted a VGF of INR 20,000 per flying hour and Bidder Y has quoted a VGF of INR 30,000 per flying hour, Bidder X will be awarded the contract as they have quoted lowest VGF between the two bids received.</u></p> <p><u>Scenario 3:</u> <u>Lastly, if two bids are received from Bidder C and Bidder D, where Bidder C has quoted a premium of INR 30,000 per flying hour and Bidder D has quoted a premium of INR 40,000 per flying hour. In this case Bidder D will be awarded the contract since they have quoted the highest premium per flying hour.</u></p>
6.	<p>Section I Clause 17 Bid Variable and other conditions Sub-Clause 17.9 Page No. 14</p>	<p>Clause 17.9 is hereby revised as under:</p> <p>The bidder shall start Air Service Operations within 45 days months from the date of issuing of the LOA.</p>
7.	<p>Section I Clause 17 Bid Variable and other conditions</p>	<p>Clause 17.13 is hereby revised as under:</p> <p>a) MPTB shall undertake evaluation for augmentation of services as and when deemed suitable. In case an increase in demand/ increase in passenger traffic is observed in the mutually decided route, the first right of refusal shall be given to the selected operator to deploy an additional aircraft/increase the number of seats on the same terms and conditions within 30 days to cater to</p>

	<p>Sub-Clause 17.13 Page No. 14</p>	<p>such demand. However, if the operator declines to deploy the additional aircraft/increase the number of seats the Authority reserves the right to open the market to other aircraft operators to cater to the increased demand. These <u>prospective</u> operators may be the bidders who had submitted proposals for the same tender previously, however, were positioned at L2, L3, L4 etc. Such bidders will be invited to match the terms and conditions of the existing operator <u>prevailing at the time during which the increment is observed, in consonance with the ongoing percentage VGF applicable as per table under Clause 17.3 for a 6-year period. For example, if an increase in demand is observed in second year and a new operator is appointed to service such demand by deploying an aircraft, the operator will only be able to avail 75% VGF as specified in table under Clause 17.3.</u> MPTB may also issue a fresh tender and invite fresh bids for the selected route as deemed appropriate.</p> <p>b) The same shall be applicable if MPTB decides to open other routes (other than the mutually decided route with the selected operator) where the first right of refusal shall be given to the selected operator to deploy an additional aircraft on the same terms and conditions within 30 days on the new route. However, if the operator declines to deploy the additional aircraft/increase the number of seats the Authority reserves the right to open the market to other aircraft operators to cater to the increased demand. These <u>prospective</u> operators may be the bidders who had submitted proposals for the same tender previously, however, were positioned at L2, L3, L4 etc. Such bidders will be invited to match the terms and conditions of the existing operator <u>prevailing at the time during which the increment is observed, in consonance with the ongoing percentage VGF applicable as per table under Clause 17.3 for a 6-year period. For example, if an increase in demand is observed in second year and a new operator is appointed to service such demand by deploying an aircraft, the operator will only be able to avail 75% VGF as specified in table under Clause 17.3.</u> MPTB may also issue a fresh tender and invite fresh bids for the selected route as deemed appropriate.</p>
8.	<p>Section II Clause 2.3 Additional Operations</p>	<p>Clause 2.3 is hereby revised as under:</p> <p>a. MPTB shall undertake evaluation for augmentation of services as and when deemed suitable. In case an increase in demand/ increase in passenger traffic is observed in the mutually decided route,</p>

	Page No. 46	<p>the first right of refusal shall be given to the selected operator to deploy an additional aircraft/increase the number of seats on the same terms and conditions within 30 days to cater to such demand. However, if the operator declines to deploy the additional aircraft/increase the number of seats the Authority reserves the right to open the market to other aircraft operators to cater to the increased demand. These <u>prospective</u> operators may be the bidders who had submitted proposals for the same tender previously, however, were positioned at L2, L3, L4 etc. Such bidders will be invited to match the terms and conditions of the existing operator <u>prevailing at the time during which the increment is observed, in consonance with the ongoing percentage VGF applicable as per table under Clause 17.3 for a 6-year period. For example, if an increase in demand is observed in second year and a new operator is appointed to service such demand by deploying an aircraft, the operator will only be able to avail 75% VGF as specified in table under Clause 17.3.</u> MPTB may also issue a fresh tender and invite fresh bids for the selected route as deemed appropriate.</p> <p>b. The same shall be applicable if MPTB decides to open other routes (other than the mutually decided route with the selected operator) where the first right of refusal shall be given to the selected operator to deploy an additional aircraft on the same terms and conditions within 30 days on the new route. However, if the operator declines to deploy the additional aircraft/increase the number of seats the Authority reserves the right to open the market to other aircraft operators to cater to the increased demand. These <u>prospective</u> operators may be the bidders who had submitted proposals for the same tender previously, however, were positioned at L2, L3, L4 etc. Such bidders will be invited to match the terms and conditions of the existing operator <u>prevailing at the time during which the increment is observed, in consonance with the ongoing percentage VGF applicable as per table under Clause 17.3 for a 6-year period. For example, if an increase in demand is observed in second year and a new operator is appointed to service such demand by deploying an aircraft, the operator will only be able to avail 75% VGF as specified in table under Clause 17.3.</u> MPTB may also issue a fresh tender and invite fresh bids for the selected route as deemed appropriate.</p>
9.	Section II Clause 8	<p>Point no. d) of Clause 8.1 is hereby deleted as under:</p> <p>d) Assist the Operator in bookings and business promotion on best effort basis.</p>

	Obligations of MPTB Sub-Clause 8.1 Page No. 51	
10	Section II Clause 8 Obligations of MPTB Sub-Clause 8.2- Payments terms Point no. 8.2.6 Page No. 52	<p>Point no. 8.2.6 of sub-clause Clause 8.2 is hereby revised as under:</p> <p>In case the selected bidder is the operator who quoted the highest premium per flying hour, they shall pay MPTB the quoted premium as per the total flying hours recorded in the month. This payment shall be duly justified with flying hour details and be completed within 15 days of the previous months end. For instance, the payment for January 1st to 31st shall be made before 15th February to MPTB. <u>Please note that the selected bidder who has quoted the Highest Premium, shall guarantee payment of atleast 150 flying hours per month to MPTB.</u></p>
11	Section II Clause 17 MPTB Event of Default Page No. 59	<p>Clause 17 is hereby revised as under:</p> <p>For the purposes of this development agreement, each of the following events or circumstances, to the extent not caused by a default of the Operator or are not Force Majeure Events, shall be considered, as events of default of MPTB (" MPTB Event of Default"), which shall provide the Operator the right to terminate this agreement in accordance with clause 18:</p> <ul style="list-style-type: none"> (i) Failure to pay per flying hour VGF/ reimbursement of VAT on ATF uplifted from within M.P./ reimbursement of ambulance & fire brigade charges on actual basis for State owned airstrips every month. (ii) MPTB commits a material default in complying with any of the provisions of this agreement and such default has a material adverse effect on the performance of the obligations of the Operator. (iii) Fails to provide free security at State owned airstrips. (iv) Fails to fulfil its obligations laid down in clause 8.
12	Section II AIR SERVICE OPERATION AGREEMENT Sub-section -	<p>Definition is hereby revised as under:</p> <p>Flying hours shall mean the total flying time between two destinations from 'chocks<u>engine-on</u>' to 'chocks<u>engine-off</u>'. The validity of the flying hours shall be authenticated by DGCA or ATC.</p>

	<p>PRELIMINARY</p> <p>Clause 1 DEFINITIONS AND INTERPRETATION</p> <p>Sub-Clause Point No. 16 and Page No. 43</p>											
13	<p>Section I</p> <p>INSTRUCTIONS TO BIDDERS (ITB)</p> <p>Point No 17.19 Operational Efficiency and Sub-Clause 17.19.1 on Page No. 16</p>	<p>Point No 17.19.1 is hereby revised as under:</p> <p>17.19.1 Each scheduled flight would be evaluated out of a maximum of 10 (ten) marks on the basis of delay in scheduled departure. For each flight that departs on scheduled time or a delay of up to 90 minutes 10 marks shall be noted. If delayed for more, 7 marks shall be noted. If the flight is cancelled for whatever reason zero (0) marks shall be noted. For each month the total of such marks shall be submitted by the Operator to MPTB. If the Operator scores less than 90%, the Air Service Operations shall not be considered satisfactory for the month and MPTB shall appropriate damages as provided in the table below not exceeding 10 % of the VGF/Premium paid for the month:</p> <table><tr><td>Score of the Operator</td><td>Amount of penalty</td></tr><tr><td>80% 75% to < 90%</td><td>2.5%</td></tr><tr><td>75% 50% to < 80% 75%</td><td>5.0%</td></tr><tr><td>70% 25% to < 75% 50%</td><td>10.0% 7.5%</td></tr><tr><td>Less than 25%</td><td>10.0%</td></tr></table> <p>The damages as above shall be appropriated after the Operator is given an opportunity of hearing and the performance was affected for reasons attributable to the Operator.</p>	Score of the Operator	Amount of penalty	80% 75% to < 90%	2.5%	75% 50% to < 80% 75%	5.0%	70% 25% to < 75% 50%	10.0% 7.5%	Less than 25%	10.0%
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14	<p>Section II</p> <p>AIR SERVICE OPERATION AGREEMENT</p> <p>Clause 7. OPERATIONAL</p>	<p>Clause No 17.1 is hereby revised as under:</p> <p>7.1 Each scheduled flight would be evaluated out of a maximum of 10 (ten) marks on the basis of delay in scheduled departure. For each flight that departs on scheduled time or a delay of up to 90 minutes 10 marks shall be noted. If delayed for more, 7 marks shall be noted. If the flight is cancelled for whatever reason zero (0) marks shall be noted. For each month the total of such marks shall be</p>										

	<p>EFFICIENCY on Page No. 51</p> <p>Sub-Clause 7.1</p>	<p>submitted by the Operator to MPTB. If the Operator scores less than 90%, the Air Service Operations shall not be considered satisfactory for the month and MPTB shall appropriate damages as provided in the table below not exceeding 10 % of the VGF/Premium paid for the month:</p> <table><tr><td>Score of the Operator</td><td>Amount of penalty</td></tr><tr><td>80% 75% to < 90%</td><td>2.5%</td></tr><tr><td>75% 50% to < 80% 75%</td><td>5.0%</td></tr><tr><td>70% 25% to < 75% 50%</td><td>10.0% 7.5%</td></tr><tr><td>Less than 25%</td><td>10.0%</td></tr></table> <p>The damages as above shall be appropriated after the Operator is given an opportunity of hearing and the performance was affected for reasons attributable to the Operator.</p>	Score of the Operator	Amount of penalty	80% 75% to < 90%	2.5%	75% 50% to < 80% 75%	5.0%	70% 25% to < 75% 50%	10.0% 7.5%	Less than 25%	10.0%
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15	<p>Section I</p> <p>INSTRUCTIONS TO BIDDERS (ITB)</p> <p>Clause 17.19</p> <p>Operational Efficiency on Page No. 16</p> <p>Addition of New Sub-Clause 17.19.9</p>	<p>Point No 17.19.9 is hereby added as under:</p> <p>17.19.9 Deficiency in Flying Hours</p> <p>The Operator is required to fly a minimum of 150 Hours per month to be eligible for claiming VGF for the respective month. Each month the flying schedule would be evaluated as well.</p> <p>For each months flight schedule the total of Flying Hours shall be submitted by the Operator to MPTB. If the Operator flies less than 150 Hours per month the Air Service Operations shall not be considered satisfactory for the month and MPTB shall appropriate damages as provided in the table below not exceeding 10 % of the VGF/Premium paid for the month:</p> <table><tr><td>Flying Hours of the Operator</td><td>Amount of penalty</td></tr><tr><td>140 to < 150</td><td>2.5%</td></tr><tr><td>130 to < 140</td><td>5.0%</td></tr><tr><td>120 to < 130</td><td>10.0%</td></tr><tr><td>Below 120 Hours</td><td>Not Eligible for VGF for the Month</td></tr></table>	Flying Hours of the Operator	Amount of penalty	140 to < 150	2.5%	130 to < 140	5.0%	120 to < 130	10.0%	Below 120 Hours	Not Eligible for VGF for the Month
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16	<p>Section II</p> <p>AIR SERVICE OPERATION AGREEMENT</p> <p>Clause 7. OPERATIONAL EFFICIENCY on Page No. 51</p> <p>Addition of New Sub-Clause 7.9</p>	<p>Point No 17.9 is hereby added as under:</p> <p>7.9 Deficiency in Flying Hours</p> <p>The Operator is required to fly a minimum of 150 Hours per month to be eligible for claiming VGF for the respective month. Each month the flying schedule would be evaluated as well.</p> <p>For each months flight schedule the total of Flying Hours shall be submitted by the Operator to MPTB. If the Operator flies less than 150 Hours per month the Air Service Operations shall not be considered satisfactory for the month and MPTB shall appropriate damages as provided in the table below not exceeding 10 % of the VGF/Premium paid for the month:</p> <table><tr><td>Flying Hours of the Operator</td><td>Amount of penalty</td></tr><tr><td>140 to < 150</td><td>2.5%</td></tr><tr><td>130 to < 140</td><td>5.0%</td></tr><tr><td>120 to < 130</td><td>10.0%</td></tr><tr><td>Below 120 Hours</td><td>Not Eligible for VGF for the Month</td></tr></table>	Flying Hours of the Operator	Amount of penalty	140 to < 150	2.5%	130 to < 140	5.0%	120 to < 130	10.0%	Below 120 Hours	Not Eligible for VGF for the Month
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		<p>The damages as above shall be appropriated after the Operator is given an opportunity of hearing and the performance was affected for reasons attributable to the Operator. This penalty will be levied over and above the penalty levied under clause 7.1 and 7.9</p> <p>Additionally, if the penalty is levied on the operator for any three months in a year for deficiency in flying hours or if the operator is unable to complete minimum 120 flying hours even once in a year under this clause in a year, then it shall be treated as an event of Operator's default which may lead to termination of the agreement. Without prejudice to its right to appropriate the commitment security and terminate the agreement MPTB may invite any other willing person to start air service operations in any sector covering any cities of the State on the same terms and conditions as are applicable to the Operator.</p>
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