

**Karnataka State Industrial and Infrastructure
Development Corporation Limited (KSIIDC),
Government of Karnataka**



Request for Proposal (RFP NO. KSIIDC/2025-26/SE0051)

**For selection of an Agency for
Setting Up of Flight Training Organization (FTO) in
Shivamogga Airport**

May 2025

***Issued by: Karnataka State Industrial and Infrastructure Development
Corporation Limited (KSIIDC)***

Khanija Bhavan, 4th Floor, East Wing, No 49, Racecourse Road, Bangalore – 560001

Letter of Invitation

Ref: RFP No KSIIDC/2025-26/SE0051

Date:16.05.2025

NOTICE INVITING TENDER FOR SELECTION OF AN AGENCY FOR SETTING UP OF FLIGHT TRAINING ORGANIZATION (FTO) IN SHIVAMOGGA AIRPORT IN KARNATAKA

(E-Tender Notification and Terms and Conditions)

Karnataka State Industrial & Infrastructure Development Corporation Limited (KSIIDC) invites bids/ proposal directly from reputed and established companies/firms either by themselves or jointly to **select an Agency for setting up of Flight Training Organization (FTO) in Shivamogga, Airport in Karnataka for a period of 20 years which shall be extended to another 10 years on mutually agreed terms and conditions provided the services are found satisfactory.** The background information of the project, scope of services and Terms of Reference are provided in the RFP Document. The selection of the Agency would be based on **H1 Annual Lumpsum Concession Premium (Highest Quote).**

1. The complete details of the e-Tender can be downloaded from the e-Proc portal of the Government of Karnataka at the address below:
<http://kppp.karnataka.gov.in/#/portal/portal-home>
2. The bid is to be quoted online through e-Tender in the Government of Karnataka e-Procurement platform only.
3. Bidders, who have not registered in the e-procurement portal, may do so by registering through the Website: <http://kppp.karnataka.gov.in/#/portal/portal-home>
4. The bidders can access tender documents on the website and participate in the E-Tender within the stipulated time and date as per Tender Notice details through e-portal only.

KSIIDC reserves the right to accept or reject any or all proposals, and to annul the selection process and reject all proposals at any time prior to the award of contract, without thereby incurring any liability or any obligation in any form to the affected firms on any grounds. We request you to kindly submit your proposal in the e-procurement portal within the prescribed date.

Sd/-

General Manager

KSIIDC, Bengaluru

DISCLAIMER

The information contained in this Request for Proposal document (“RFP”) or subsequently provided to Applicants, whether verbally or in documentary or any other form by or on behalf of Authority or any of its employees or advisers, is provided to Applicants 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 not an agreement or an offer by the Authority to the prospective Applicants or any other person. The purpose of this RFP is to provide interested parties with information that may be useful to them in the formulation of their Proposals pursuant to this RFP. This RFP includes statements, which reflect various assumptions and assessments arrived at by Authority in relation to the setting up of FTO in Shivamogga airport. Such assumptions, assessments and statements do not purport to contain all the information that each Applicant may require. This RFP may not be appropriate for all persons, and it is not possible for the Authority, its employees, or advisers to consider the objectives, technical expertise 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 Applicant should, therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments and information contained in this RFP and obtain independent advice from appropriate sources.

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

The Authority, its employees and advisers make no representation or warranty and shall have no liability to any person including any Applicant under any law, statute, rules or regulations or tort, principles of 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, reliability or completeness of the RFP and any assessment, assumption, statement or information contained therein or deemed to form part of this RFP or arising in anyway in this Selection Process.

The Authority also accepts no liability of any nature whether resulting from negligence or otherwise however caused arising from reliance of any Applicant upon the statements contained in this RFP.

The Authority may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information, assessment or assumption contained in this RFP.

The issue of this RFP does not imply that the Authority is bound to select an Applicant or to appoint the Selected Agency, as the case may be, for setting up of FTOs in Shivamogga airport mentioned in the RFP and the Authority reserves the right to reject all or any of the Proposals without assigning any reasons whatsoever.

The Agency shall bear all its costs associated with or relating to the preparation and submission of its Proposal 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 Proposal. All such costs and expenses will remain with the Applicant and the Authority shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by an Applicant in preparation or submission of the Proposal, regardless of the conduct or outcome of the Selection Process.

TABLE OF CONTENTS

1. INTRODUCTION.....	5
1.1 Background.....	5
2. INSTRUCTIONS TO APPLICANTS.....	8
A. GENERAL.....	8
B. DOCUMENTS.....	15
C. PREPARATION AND SUBMISSION OF PROPOSAL.....	17
D. EVALUATION PROCESS.....	22
E. APPOINTMENT OF AGENCY.....	24
4. FRAUD AND CORRUPT PRACTICES	28
5. PRE-PROPOSAL CONFERENCE.....	30
SCHEDULES	32
Annex -1: Terms of Reference.....	57
Annex-2: Specifications & Standards	58
Annex-3: Approved Sub-Agency(s)	60
Annex-4: Permitted Use.....	61
Annex-5: Bank Guarantee for Performance Security.....	62
Annex-6: Format of Acknowledgement of Site.....	64
APPENDICES.....	70
Appendix-I: Technical Proposal.....	71
Form-1: Letter of Proposal.....	71
Form 2: Particulars of the Applicant.....	74
Form 3: Statement of Legal Capacity.....	76
Form 4: Power of Attorney.....	77
Form 5: Financial Capacity of Applicant.....	79
Form 6: Details of Technical Capacity of the Bidder.....	80
Form 7: Structure and Organization of the Agency.....	81
Form 8: Abstract of Eligible Assignments of the Applicant.....	82
Form 9: Financial Capacity of the Bidder.....	83
Form 10: Any other document	84
Form 11: Proposal for Sub-Agency(s)	85
Form 12: Proposal Security Declaration Form	86
Form 13: Undertaking Regarding Debarment/Blacklisting.....	87
Form 14: Checklist for documents to be submitted for Technical Bid.....	88
Appendix-II: Financial Proposal.....	90
Form-1: Financial Proposal.....	90
Form-2: Break-up of Financial Proposal.....	91

REQUEST FOR PROPOSAL

1. INTRODUCTION

1.1 Background

Karnataka State Industrial & Infrastructure Development Corporation Limited (KSIIDC) earlier known as Karnataka State Industrial Investment & Development Corporation was established in the year 1964, as a wholly owned undertaking of the Government of Karnataka. KSIIDC is currently involved in recovery of the pending loan portfolios as well as implementation of major infrastructure projects on PPP basis like Development of Eco-tourism project at Tadadi, International Convention Centre (ICC) and Bangalore Signature Business Park (BSBP) near Kempegowda International Airport (KIA) and development of Greenfield Airports across the State.

KSIIDC intends to set up Flight Training Organization (FTO) in Shivamogga airport in Karnataka on **Design, Build, Finance, Operate, and Transfer (DBFOT basis)** for a period of **Twenty (20) years**, however the tender period for 20 years is **extendable to next Ten (10) years** with mutually agreed terms provided the services are found satisfactory.

The agency shall **Set up, Establish and Operate Flight Training Organization** to provide training programmes in accordance with the scope of services as envisaged in this RFP. The agency should have expertise, functional and technical competency, and skilled manpower to perform the required services.

General Scope of work:

The authority intends to select an Agency for setting up of FTOs in Shivamogga airport in Karnataka on DBFOT basis (Refer TOR).

1.2 Requests for Proposal

- 1.2.1 The Authority invites proposals from interested firms (the **“Proposals”**) for selection of a qualified Agency (hereinafter referred as the **‘Agency/Applicant’**) who will be responsible for setting up of Flight Training organizations (the **“FTO”**) on DBFOT basis in Shivamogga Airport in Karnataka for a period of Twenty (20) years.
- 1.2.2 The Authority intends to select the Agency through a competitive bidding in accordance with the procedure set out herein.

1.3 Due diligence by Applicants

Applicants are encouraged to inform themselves fully about the assignment and the local conditions before submitting the Proposal by paying a visit to the Authority before submitting proposal, sending written queries to the Authority by the date and time specified in Clause 1.8 and attending a Pre-Proposal Conference on the date and time specified in Clause 1.8. Attending the pre-proposal conference is optional. The Agency's representative should contact the officials named in Clause 1.9 to arrange for their visit or to obtain additional information on the pre-proposal conference. Agency should ensure that these officials are advised of the visit in adequate time to allow them to make appropriate arrangements.

1.4 RFP Document, Processing Fee, and Proposal

- 1.4.1 Downloading of tender documents and submission of proposal will be through Government of Karnataka e-Procurement portal <http://kppp.karnataka.gov.in/#/portal/portal-home>. Applicants must get themselves registered, acquainted, and trained on the procedure of participating in e-

Procurement. Tender document will be available in the e-procurement portal from the date mentioned in Clause 1.8 of this RFP.

- 1.4.2 The Bidder shall pay the **Earnest Money Deposit (EMD)** of **Rs.50,000** (Rupees Fifty Thousand only) through e-procurement.
- 1.4.3 The proposal should be accompanied with a Non-Refundable Processing Fee as prescribed in the e-procurement portal.
- 1.4.4 The Proposal must be accompanied by Proposal Security Declaration Form in the prescribed format as provided in Appendix-I Form 12 of the RFP. Proposals not accompanied by the Proposal Declaration Form shall not be considered and their Technical & Financial Proposals will not be opened.

1.5 Validity of the Proposal

The Proposal shall be valid for a period of not less than **180 days** from the Proposal Due Date (the “**PDD**”). The Client reserves the rights to reject a proposal valid for a shorter period as non-responsive and will make the best efforts to finalize the selection process and award of the contract within the bid validity period. The bid validity period may be extended on mutual consent.

1.6 Brief description of the Selection Process

The Authority has adopted a two-stage selection process (collectively the “**Selection Process**”) in evaluating the bids comprising qualification bids and financial bids to be uploaded to the e-procurement portal. In the first stage, technical evaluation of qualification bids will be carried out as specified in Clause 3.1. Based on this evaluation, a list of qualified bidders shall be prepared. In the second stage, a financial evaluation of those qualified bidders will be carried out as specified in Clause 3.3. The financial bids of the bidders, who are not technically qualified, would not be opened. The selection would be based **H1 (Highest quote – Highest Annual Lumpsum Concession Premium)**.

1.7 Deleted

1.8 Schedule of Selection Process

The Authority would endeavor to adhere to the following schedule:

S. No.	Event Description	Date
1	Date of RFP issue	16.05.2025
2	Date and time of Pre-bid Meeting	22.05.2025; 11:30 hours
3	Last date for receiving queries/ clarifications	22.05.2025; 17:30 Hours
4	Last date for submitting proposals	16.06.2025; 17:30 Hours
5	Opening of Technical Bid	18.06.2025; 11:30 Hours
6	Opening of Financial Proposals	To be notified
7	Issuance of Letter of Award (LOA)	To be notified
8	Submission of the Performance Security by the Selected Applicant or Agency	Within 15 days of the Letter of Award (LOA)

S. No.	Event Description	Date
10	Signing of Agreement	Within 15 days of the Letter of Award (LOA)

1.9 Pre-Proposal visit and inspection of data

Prospective applicants may visit the Authority's office at Bengaluru at any time prior to PDD. For this purpose, applicant shall provide at least two days prior notice to the designated officer as specified below:

Sri. Harti S

Assistant General Manager IPD-I, KSIIDC

Phone No. : +91-98455 20837

Landline : 080-22258131/32/33

Email : harti.ksiidc@gmail.com

1.10 Pre-Proposal Conference

The date and time of the Pre-Proposal Conference shall be as specified in Clause 1.8 of this RFP. The venue of the Pre-Proposal Conference shall be as below:

Venue : Karnataka State Industrial & Infrastructure Development Corporation Limited (KSIIDC),
Khanija Bhavan,
4th Floor, East Wing, No 49,
Racecourse Road, Bangalore – 560001.

Alternatively, bidders may attend the pre-proposal conference virtually. Bidders who are interested in attending the pre-proposal conference, virtually, may write to the designated official (mentioned in Clause 1.11) requesting for the meeting link.

1.11 Communications

1.11.1 All communications related to this RFP should be addressed to:

Managing Director

Karnataka State Industrial & Infrastructure Development Corporation Limited,
Khanija Bhavan, 4th Floor, East Wing, No 49,
Racecourses Road, Bangalore – 560001

Email: mdoffice@ksiidc.com

The Official Website of the Authority is: <http://www.ksiidc.com/>

1.11.2 All communications should contain the following information, to be indicated at the top (or as subject of email communication) in bold letters:

“RFP for Selection of an Agency for Setting Up of Flight Training Organization (FTO) in Shivamogga Airport”

2. INSTRUCTIONS TO APPLICANTS

A. GENERAL

2.1 Scope of Proposal

- 2.1.1 Detailed description of the objectives, scope of services, Deliverables and other requirements relating to this FTO Services are specified in this RFP. In case an applicant firm possesses the requisite experience and capabilities required for setting up of Flight Training Organization, it may participate in the Selection Process. The term applicant (the “**Applicant**”) means Agency/Bidder. The way the Proposal is required to be submitted, evaluated, and accepted is explained in this RFP.
- 2.1.2 Applicants are advised that the selection of Agency shall be based on an evaluation by the Authority through the selection process specified in this RFP. Applicants shall be deemed to have understood and agreed that no explanation or justification for any aspect of the selection process will be given and that the Authority's decisions are without any right of appeal whatsoever.
- 2.1.3 The Applicant shall submit its Proposal in the form and manner specified in this section of the RFP. The technical proposal shall be submitted in the forms at Appendix-I and the Financial Proposal shall be submitted in the forms at Appendix-II. Upon selection, the Applicant shall be required to enter into an agreement with the Authority in the form specified at Schedule-2.
- 2.1.4 **Key Personnel**
The Agency shall consist of key personnel (technical & non-technical staff) who shall discharge their respective responsibilities to accomplish the tasks as mentioned in the TOR (Refer TOR – Annexure 1).
- 2.1.5 Notwithstanding anything to the contrary contained in this RFP, the detailed terms specified in the draft contract/agreement shall have overriding effect, provided, however, that any conditions or obligations imposed on the Applicant hereunder shall continue to have effect in addition to its obligations under the contract.
- 2.1.6 The Financial Proposal should be furnished in electronic mode only, which shall also to be filled up by the bidder in the format available on the e-procurement portal. The Financial Proposal shall clearly indicate the bid amount (including GST) in both figures and words, in Indian Rupees. In the event of any difference between figures and words, the amount in words shall be considered.
- 2.1.7 The Financial Proposal shall indicate total amount Annual Concession premium payable by the Agency for carrying out the assignment as per scope of services which shall be exclusive of GST and all other applicable taxes, levies, and duties etc. The Payments shall be payable as per the Contract.
- 2.1.8 The following conditions shall be adhered to while submitting the proposal:
- Bidder while uploading the scanned documents in the e-procurement portal should give appropriate file name to every document for easy reference of respective document.
 - Applicants should attach clearly marked and referenced continuation sheets if the space provided in the prescribed forms in the Annexes is insufficient. Alternatively, Applicants may format the prescribed forms making due provision for incorporation of the requested information.
 - Information supplied by an Applicant must apply to the Applicant's name in the Proposal.

- d) Applicants should demonstrate their Conditions of Eligibility in accordance with Clause 2.2 under Section-2 with supporting documents.

2.2 Conditions of Eligibility of Applicants

2.2.1 Applicants must carefully read the minimum conditions of eligibility (the “**Conditions of Eligibility**”) provided herein. Proposals of only those Applicants who satisfy the Conditions of Eligibility will be considered for evaluation.

2.2.2 To be eligible for evaluation of its Proposal, the Applicant shall fulfill the following:

A. Technical Capacity:

- I. **Legal Entity:** The Applicant should be a company or firm, or proprietary concern incorporated in India under The Indian Companies Act and subsequent amendments thereto or a partnership firm under The Indian Partnership Act 1932 or Limited Liability Partnership Act 2008. (Shops and establishment Act).

Following supporting documents to be submitted:

- **If the Applicant is a company:**
 - o Copy of Certificate of Incorporation countersigned by statutory auditor
 - o Copy of Memorandum of Association and Articles of Association
- **If the Applicant is a partnership firm or a limited liability partnership 2008:**
 - o Copy of Registration Certificate countersigned by statutory auditor
 - o Copy of Registered Partnership Deed
- **If the applicant is a proprietary concern:**
 - o Copy of Registration Certificate countersigned by statutory auditor
- Self-attested copy of PAN card
- Self-attested copy of Aadhaar card
- Self-attested copy of Income Tax, PAN and should be submitting IT returns for last three (3) years (Proof documents – Copy of valid PAN Card and IT Return Acknowledgement copy for last three years)
- Self-attested copy of GST Registration

- II. **Net worth:** The Applicant shall have a net worth of **Rs. 50 Crore** in any two of the three (3) preceding financial years from the Bid Submission Date. (Applicant shall submit relevant copies of financial statements & Statutory Auditor certificate of the applicant for last 3 financial years for evaluation).

Eligible Assignments:

- III. For the purposes of satisfying the Conditions of Eligibility and for evaluating the Proposals under this RFP, below mentioned services shall be deemed as eligible assignment. The assignments shall be considered as an eligible assignment, **if the agency/ company has established and operated at least one (1) project having a minimum contract value of Rs.10 Crore (Rupees Ten Crore only) within the last five (5) years (as on PDD)** for Central/ Government/private organizations in India. (Applicant shall submit relevant copies of Work order / Contract agreement and Completion certificate for evaluation). The project/contract must satisfy all the conditions as mentioned below, to qualify as an eligible assignment:

- o **Project Type:**
- Should have prior experience in establishing FTO/ in establishing educational institutions involved in Aviation/Aerospace/Airline operators/ chartered flight

operators/ companies involved in aviation related activities for Central/State Government/Private sector organizations.

- Experience of working with **Government/Semi-government/ State Governments / Government of India.**

B. Financial Capacity: The Applicant should have an annual turnover of **minimum INR 20 Crores** (Rupees Twenty Crore only) for any of 3 (three) Financial years out of last 5 (Five) Financial years (i.e., FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23, FY 2023-24) in establishment/setting up of project under project types as mentioned above (**Refer Clause 2.2.2 A (III)**). The Financial Capacity of the parent/ subsidiary /associate entities/partnership firm of the Applicant shall not be considered for assessment of eligibility.

2.2.3 For the purposes of determining Conditions of Eligibility and for evaluating the fulfillment of qualification requirement, the following shall be considered:

- The project for which the Applicant is claiming credit for an Eligible Assignment should have, prior to Proposal Due Date (PDD), been completed.
- Where credit is being claimed by an Agency, they should have completed the relevant assignment prior to PDD.

2.2.4 The Applicant shall submit (enclose) with its Proposal, audited Balance Sheets and Profit & Loss Accounts (including notes to financial statements) for the **last (5) five Financial Years** (i.e., FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23, FY 2023-24) duly certified by Statutory Auditor of the Applicant.

2.2.5 The Applicant should submit a Power of Attorney as per the format at Form-4 of Appendix-I.

2.2.6 Any entity which has been barred/ blacklisted by the Central Government, any State Government, a statutory authority, or a public sector undertaking, Banks/Financial Institutions as the case may be, from participating in any project, and the bar subsists as on the date of the Proposal, would not be eligible to submit a Proposal either by itself or through its Associate. (**Applicant shall submit undertaking on company's letter head**)

2.2.7 An Applicant should have, during the last 3 (three) years, neither failed to perform on any agreement, as evidenced by imposition of a penalty by an arbitral or judicial authority or a judicial pronouncement or arbitration award against the Applicant, nor been expelled from any project or agreement nor have had any agreement terminated for breach by such Applicant. (**Applicant shall submit undertaking on company's letter head**)

2.2.8 **Bid Parameter:** The bid parameter shall be the Annual Concession Fee payable to the Authority in terms of INR per Flying Hour, subject to a minimum of **INR 800 (Eight Hundred)** per Flying Hour per aircraft. The total number of Flying Hours (cumulative of all aircraft) in an Accounting Year shall be minimum **2500 (Two Thousand Five Hundred)** hours.

2.3 Conflict of Interest

2.3.1 An Applicant shall not have a conflict of interest that may affect the Selection Process or the Service (the "**Conflict of Interest**"). Any Applicant found to have a Conflict of Interest shall be disqualified. In the event of disqualification, the Authority shall forfeit and appropriate the Performance Security, if available, as mutually agreed pre-estimated compensation and damages payable to the Authority for, *inter alia*, the time, cost and effort of the Authority including consideration of such Applicant's Proposal, without prejudice to any other right or remedy that may be available to the Authority hereunder or otherwise.

- 2.3.2 The Authority requires that the Agency provides professional, objective, and impartial advice and at all times hold the Authority's interest paramount, avoid conflicts with other assignments or its own interests, and act without any consideration for future work. The Agency shall not accept or engage in any assignment that would be in conflict with its prior or current obligations to other clients, or that may place it in a position of not being able to carry out the assignment in the best interests of the Authority.
- 2.3.3 Some guiding principles for identifying and addressing Conflicts of Interest have been illustrated in the Guidance Note at Schedule-3. Without limiting the generality of the above, an Applicant shall be deemed to have a Conflict of Interest affecting the Selection Process, if:
- (a) the Applicant, its consortium member (the "Member") or Associates (or any constituent thereof) and any other Applicant, its consortium member or Associate (or any constituent thereof) have common controlling shareholders or other ownership interest; provided that this disqualification shall not apply in cases where the direct or indirect shareholding or ownership interest of an Applicant, its Member or Associate (or any shareholder thereof having a shareholding of more than 5 per cent of the paid up and subscribed share capital of such Applicant, Member or Associate, as the case may be) in the other Applicant, its consortium member or Associate is less than 5% (five per cent) of the subscribed and paid up equity share capital thereof. For the purposes of this Clause 2.3.3(a), indirect shareholding held through one or more intermediate persons shall be computed as follows: (aa) where any intermediary is controlled by a person through management control or otherwise, the entire shareholding held by such controlled intermediary in any other person (the "Subject Person") shall be taken into account for computing the shareholding of such controlling person in the Subject Person; and (bb) subject always to Sub-clause (aa) above, where a person does not exercise control over an intermediary, which has shareholding in the Subject Person, the computation of indirect shareholding of such person in the Subject Person shall be undertaken on a proportionate basis; provided, however, that no such shareholding shall be reckoned under this Sub-clause (bb) if the shareholding of such person in the intermediary is less than 26% (twenty six per cent) of the subscribed and paid up equity shareholding of such intermediary; or
 - (b) a constituent of such Applicant is also a constituent of another Applicant; or
 - (c) such Applicant or its Associate receives or has received any direct or indirect subsidy or grant from any other Applicant or its Associate; or
 - (d) such Applicant has the same legal representative for purposes of this Application as any other Applicant; or
 - (e) such Applicant has a relationship with another Applicant, directly or through common third parties, that puts them in a position to have access to each other's information about, or to influence the Application of either or each of the other Applicant; or
 - (f) there is a conflict among this and other FTO service assignments of the Applicant (including its personnel and other members, if any) and any subsidiaries or entities controlled by such Applicant or having common

controlling shareholders. The duties of the Agency will depend on the circumstances of each case. While providing FTO Services at the Airport for this particular assignment, the Agency shall not take up any assignment that by its nature will result in conflict with the present assignment; or

- (g) a firm which has been engaged by the Authority to provide goods or works or services for a project, and its Associates, will be disqualified from providing FTO services for the same project save and except as provided in Clause 2.3.4; conversely, a firm hired to provide FTO services for the preparation or implementation of a project, and its Members or Associates, will be disqualified from subsequently providing goods or works or services related to the same project; or
- (h) the Applicant, its Member or Associate (or any constituent thereof), and the bidder if any, for the Project, Agency or sub-Agency (or any constituent thereof) have common controlling shareholders or other ownership interest; provided that this disqualification shall not apply in cases where the direct or indirect shareholding or ownership interest of an Applicant, its Member or Associate (or any shareholder thereof having a shareholding of more than 5% (five percent) of the paid up and subscribed share capital of such Applicant, Member or Associate, Agency or sub-Agency is less than 5% (five percent) of the paid up and subscribed share capital of such Concessionaire or its contractor(s) or sub-contractor(s); provided further that this disqualification shall not apply to ownership by a bank, insurance company, pension fund or a Public Financial Institution referred to in section 4A of the Companies Act 1956. For the purposes of this Sub-clause (h), indirect shareholding shall be computed in accordance with the provisions of Sub-clause (a) above.

For purposes of this RFP, Associate means, in relation to the Applicant, a person who controls, is controlled by, or is under the common control with such Applicant, or is deemed or published as an “**Associate Office**”; or has a formal arrangement such as tie up for client referral or technology sharing, joint venture with the Applicant (the “**Associate**”); provided, however, that if the Applicant has any formal arrangement such as consortium membership in a consortium of advisers/ Agency for a particular assignment/ project, not being this project, with any other person, then such other person shall not be treated to be an Associate of the Applicant solely due to the reason of forming such consortium. As used in this definition, the expression “**control**” means, with respect to a person which is a company or corporation, the ownership, directly or indirectly, of more than 50% (fifty per cent) of the voting shares of such person, and with respect to a person which is not a company or corporation, the power to direct the management and policies of such person by operation of law or by contract.

- 2.3.4** An Applicant eventually appointed to provide FTO services for this Project, its Associates, affiliates and the Team Leader, shall be disqualified from subsequently providing FTO Services and any breach of this obligation shall be construed as Conflict of Interest; provided that the restriction herein shall not apply after a period of 3 (three) years from the completion of this assignment or to any FTO services granted by the Authority at any time; provided further that this restriction shall not apply to FTO services performed for the Authority in continuation of this FTO

services or to any subsequent FTO services performed for the Authority in accordance with the rules of the Authority. For the avoidance of doubt, an entity affiliated with the Agency shall include a partner in the Agency's firm or a person who holds more than 5% (five per cent) of the subscribed and paid-up share capital of the Agency, as the case may be, and any Associate thereof. For the avoidance of doubt, in the event that: (a) the Team Leader of an Applicant/ Agency was a partner or an employee of another firm, which attracts the provisions relating to Conflict of Interest hereunder; and (b) was directly or indirectly associated with any assignment that causes a Conflict of Interest hereunder, then such Team Leader shall be deemed to suffer from Conflict of Interest for the purpose hereof.

- 2.3.5 In the event that the Agency, its Associates or affiliates are auditors or financial advisers to any of the bidders for the Project, they shall make a disclosure to the Authority as soon as any potential conflict comes to their notice but in no case later than 7 (seven) days from the opening of the RFP (Request for Proposal) applications for the Project and any breach of this obligation of disclosure shall be construed as Conflict of Interest. The Authority shall, upon being notified by the Agency under this Clause 2.3.5, decide whether it wishes to terminate this FTO services or otherwise, and convey its decision to the Agency within a period not exceeding 15 (fifteen) days.

2.4 Number of Proposals

No Applicant shall submit more than one Application for providing FTO services. An Applicant applying individually or as an Associate shall not be entitled to submit another application either individually or as a member of any consortium, as the case may be.

2.5 Cost of Proposal

The Applicant shall be responsible for all the costs associated with the preparation of their Proposals and their participation in the Selection Process including subsequent negotiation, visits to the Authority, etc. The Authority will not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the Selection Process.

2.6 Visit to the Authority and verification of information

Applicant are encouraged to submit their respective Proposals after visiting the office of the Authority and ascertaining for themselves the availability of documents and other data with the Authority, Applicable Laws and regulations or any other matter considered relevant by them.

2.7 Acknowledgement by Applicant

- 2.7.1 It shall be deemed that by submitting the Proposal, the Applicant has:

- (a) made a complete and careful examination of the RFP
- (b) received all relevant information requested from the Authority
- (c) accepted the risk of inadequacy, error or mistake in the information provided in the RFP or furnished by or on behalf of the Authority
- (d) satisfied itself about all matters, things, and information, necessary and required for submitting an informed Application and performance Security of all of its obligations thereunder

- (e) Acknowledged and agreed that inadequacy, lack of completeness or incorrectness of information provided in the Bidding Documents shall not be a basis for any claim for compensation, damages, extension of time for performance Security of its obligations, loss of profits etc. from the Authority, or a ground for termination of the Contract
 - (f) acknowledged that it does not have a Conflict of Interest; and
 - (g) agreed to be bound by the undertaking provided by it under and in terms hereof.
- 2.7.2 The Authority shall not be liable for any omission, mistake, or error in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to RFP or the Selection Process, including any error or mistake therein or in any information or data given by the Authority.

2.8 Right to reject any or all proposals.

- 2.8.1 Notwithstanding anything contained in this RFP, the Authority reserves the right to accept or reject any Proposal and to annul the Selection Process and reject all Proposals, at any time without any liability or any obligation for such acceptance, rejection, or annulment, and without assigning any reasons therefor.
- 2.8.2 Without prejudice to the generality of Clause 2.8.1, the Authority reserves the right to reject any Proposal if:
- (a) at any time, a material misrepresentation is made or discovered, or
 - (b) the Applicant does not provide, within the time specified by the Authority, the supplemental information sought by the Authority for evaluation of the Proposal.

Misrepresentation/ improper response by the Applicant may lead to the disqualification of the Applicant. If the Applicant is the Lead Member of a consortium, then the entire consortium may be disqualified/ rejected. If such disqualification/ rejection occurs after the Proposals have been opened and the highest-ranking Applicant gets disqualified/ rejected, then the Authority reserves the right to consider the next best Applicant or take any other measure as may be deemed fit in the sole discretion of the Authority, including annulment of the Selection Process.

B. DOCUMENTS

2.9 Contents of the RFP

- 2.9.1 This RFP comprises the Disclaimer set forth hereinabove, the contents as listed below and will additionally include any Addendum / Amendment issued in accordance with Clause 2.11:

Request for Proposal

- 1 Introduction
- 2 Instructions to Applicants
- 3 Criteria for Evaluation
- 4 Fraud and corrupt practices
- 5 Pre-Proposal Conference
- 6 Miscellaneous

Schedules

- 1 Terms of Reference
- 2 Form of Agreement
 - Annex-1: Terms of Reference
 - Annex-2: Specifications & Standards
 - Annex-3: Approved Sub-Agency(s)
 - Annex-4: Permitted Use
 - Annex-5: Bank Guarantee for Performance Security
 - Annex-6: Format of Acknowledgement of Site
- 3 Guidance Note on Conflict of Interest
- 4 Safety Requirements

Appendices

Appendix-I: Technical Proposal

- Form 1: Letter of Proposal
- Form 2: Particulars of the Applicant
- Form 3: Statement of Legal Capacity
- Form 4: Power of Attorney
- Form 5: Financial Capacity of the Applicant
- Form 6: Details of Technical Capacity of the Bidder
- Form 7: Structure and Organization of the Agency
- Form 8: Abstract of Eligible Assignments of the Applicant
- Form 9: Financial Capacity of the Bidder
- Form 10: Any other document
- Form 11: Proposal for Sub-Agency(s)

Form 12: Proposal Security Declaration Form

Form 13: Undertaking Regarding Debarment/Blacklisting

Form 14: Checklist for documents to be submitted for Technical Bid

Appendix-II: Financial Proposal

Form 1: Financial Proposal

Form 2: Break-up of Financial Proposal

2.10 Clarifications

- 2.10.1 Applicant may request a clarification of any item of the RFP document up to the date and time indicated in the Clause 1.8, before the Proposal submission date. Any request for clarification must be sent in writing by electronic mail (e-mail) to the Client's e-mail address respectively, as indicated in Clause 1.11 with the subject line:

“Queries concerning RFP for Selection of an Agency for setting up of Flight Training Organization (FTO) in Shivamogga Airport in Karnataka”.

The Authority shall endeavor to respond to the queries within the period specified in Clause 1.8 but no later than 7 (seven) days prior to the PDD.

- 2.10.2 The Authority reserves the right not to respond to any queries or provide any clarifications, in its sole discretion, and nothing in this **Clause 2.10** shall be construed as obliging the Authority to respond to any question or to provide any clarification.

2.11 Amendment of RFP

- 2.11.1 At any time prior to the deadline for submission of Proposal, the Authority may, for any reason, whether at its own initiative or in response to clarifications requested by an Applicant, modify the RFP document by the issuance of Addendum/ Amendment. Any amendment shall be issued in writing through corrigenda/ addenda.
- 2.11.2 All such amendments will be posted on the Karnataka e-procurement website along with the revised RFP containing the amendments and will be binding on all Applicants.
- 2.11.3 In order to afford the Applicants a reasonable time for taking an amendment into account, or for any other reason, the Authority may, in its sole discretion, extend the PDD.

C. PREPARATION AND SUBMISSION OF PROPOSAL**2.12 Language**

The Proposal with all accompanying documents (the “**Documents**”) and all communications in relation to or concerning the Selection Process shall be in English language and strictly on the forms provided in this RFP. No supporting document or printed literature shall be submitted with the Proposal unless specifically asked for and in case any of these Documents is in another language, it must be accompanied by an accurate translation of all the relevant passages in English, in which case, for all purposes of interpretation of the Proposal, the translation in English shall prevail.

2.13 Format and signing of Proposal

2.13.1 The Applicant shall provide all the information sought under this RFP. The Authority would evaluate only those Proposals that are received in the specified forms and complete in all respects.

2.13.2 Downloading of tender documents and submission of proposal will be through Government of Karnataka e-Procurement portal <http://kppp.karnataka.gov.in/#/portal/portal-home>. Applicant must get themselves registered (much before the PDD to avoid last minute difficulties), acquainted, and trained on the procedure of participating in e-Procurement. The bidder must possess compatible Digital Signature Certificate (DSC) of class II or class III.

2.13.4 The Proposal, shall be typed or written in indelible ink and signed by the authorized signatory of the Applicant who shall initial each page. Each page of the two parts should be page numbered. In case of printed and published documents, only the cover shall be initialed. All the alterations, omissions, additions, or any other amendments made to the Proposal shall be initialed by the person(s) signing the Proposal. The Proposals must be properly signed by the authorized representative (the “**Authorized Representative**”) as detailed below:

- (a) By an authorized partner, in case of a partnership firm and/or a limited liability partnership; or
- (b) By a duly authorized person holding the Power of Attorney, in case of a Limited Company or a corporation; or

A copy of the Power of Attorney certified by a notary public in the format specified in Form 4 of Appendix-I, shall accompany the Proposal.

2.13.4 Applicant should note the PDD, as specified in Clause 1.8, for submission of Proposals. Except as specifically provided in this RFP, no supplementary material will be entertained by the Authority, and that evaluation will be carried out only on the basis of documents received by the closing time of PDD as specified in Clause 2.17.1. Applicants will ordinarily not be asked to provide additional material information or documents subsequent to the date of submission, and unsolicited material if submitted will be summarily rejected.

2.14 Technical Proposal

2.14.1 Applicants shall submit the technical proposal in the formats at Appendix-I (the “**Technical Proposal**”).

2.14.2 While submitting the Technical Proposal, the Applicant shall ensure that:

- a) EMD is provided
- b) all forms are submitted in the prescribed formats and signed by the prescribed signatories
- c) power of attorney, if applicable, is executed as per Applicable Laws
- d) Similar projects have been proposed only if they meet the Conditions of Eligibility as laid down at **Clause 2.2.2 (A- III)** of the RFP.
- e) the proposal is responsive in terms of **Clause 2.21.3**

2.14.3 Failure to comply with the requirements spelt out in this Clause 2.14 shall make the Proposal liable to be rejected.

2.14.4 If an applicant makes a false averment regarding his qualification, experience, or other particulars, he shall be liable to be debarred for any future assignment of the Authority for a specific period mentioned in TOR. The award of this FTO Services contract to the Applicant may also be liable to cancellation in such an event.

2.14.5 The Technical Proposal shall not include any financial information relating to the Financial Proposal.

2.14.6 **Deleted**

2.14.7 An Applicant may, if it considers necessary, propose suitable Sub-Agency's in specific areas of expertise. Credentials of such sub-Agency's should be submitted in Form-11 of Appendix-I. A Sub-Agency, however, shall not be a substitute for any selected bidder.

2.14.8 The Authority reserves the right to verify all statements, information, and documents, submitted by the Applicant in response to the RFP. Any such verification or the lack of such verification by the Authority to undertake such verification shall not relieve the Applicant of its obligations or liabilities here under nor will it affect any rights of the Authority there under.

2.14.9 In case it is found during the evaluation or at any time before signing of the Agreement or after its execution and during the period of subsistence thereof, that one or more of the eligibility conditions have not been met by the Applicant or the Applicant has made material misrepresentation or has given any materially incorrect or false information, the Applicant shall be disqualified forthwith if not yet appointed as the Agency either by issue of the LOA or entering into of the Agreement, and if the Selected Applicant has already been issued the LOA or has entered into the Agreement, as the case may be, the same shall, notwithstanding anything to the contrary contained therein or in this RFP, be liable to be terminated, by a communication in writing by the Authority without the Authority being liable in any manner whatsoever to the Selected Applicant or the Agency, as the case maybe.

In such an event, the Agency shall forfeit and appropriate the Performance Security, if available, as mutually agreed pre-estimated compensation and damages payable to the Authority for, inter alia, time, cost, and effort of the Authority, without prejudice to any other right or remedy that may be available to the Authority.

2.15 Financial Proposal

2.15.1 The Financial Proposal is to be submitted through e-procurement platform only. In preparing the Financial Proposal, the Applicants are expected to consider the requirements and conditions of the RFP documents. The Financial Proposal should be prepared as per the format provided in **Appendix-II**. Applicants shall submit the financial proposal clearly indicating the cost of the Service in both figures and words, in Indian Rupees. In the event of any difference between figures and words, the amount indicated in words shall prevail. Breakup of Financial Proposal submitted in Form-2 of Appendix-II is only for information of the Authority and facilitating the negotiations, if required. Since uploading any documents pertaining to financial proposal is disabled in e-procurement portal, the technically qualified bidder is required to submit the break-up of financial proposal in a sealed cover before opening the financial proposal. The evaluation of Financial Proposal shall be made based on financial proposal entered in e-procurement portal only. The Authority may negotiate the Financial Proposal and the negotiated fixed fee will be released by the Authority to the Selected Applicant or Agency.

2.15.2 While submitting the Financial Proposal, the Applicant shall ensure the following:

- (i) All the costs associated with the assignment shall be included in the Financial Proposal. These shall normally cover (a) remuneration for staff, and (b) reimbursable such as subsistence (per diem, housing), transportation (national and local, for mobilization and demobilization), services and equipment (vehicles, office equipment, furniture, and supplies), office rent, insurance, printing of documents, surveys; and training, if it is a major component of the assignment. If appropriate, these costs should be broken down by activity. The total amount indicated in the Financial Proposal shall be without any condition attached or subject to any assumption and shall be final and binding. In case any assumption or condition is indicated in the Financial Proposal, it shall be considered non-responsive and liable to be rejected.
- (ii) The Financial Proposal shall take into account all expenses and tax liabilities. For the avoidance of doubt, it is clarified that all taxes, including GST, shall be deemed to be included in the costs shown for different items of the Financial Proposal. Further, all payments shall be subject to deduction of taxes at source as per Applicable Laws.

2.16 Submission of Proposal

2.16.1 The Applicants shall submit the Proposal in the manner specified in the e-procurement portal with all pages numbered serially and by giving an index of submissions. Each page of the submission shall be initialed by the Authorized Representative of the Applicant as per the terms of this RFP.

2.16.2 The Applicant shall provide the documents listed in the Clause 2.14 and/or the applicable Forms in Appendix-1 in electronic mode through e-procurement portal. The Authority will evaluate only those Proposals that are received in the required formats and complete in all respects. Incomplete and/or conditional Proposals shall be liable to rejection.

- 2.16.3 All the documents of the Proposal under this RFP shall be uploaded on e-procurement portal: <http://kppp.karnataka.gov.in/#/portal/portal-home> using digital signature.
- 2.16.4 The Technical Proposal and Financial Proposal shall be typed or written in indelible ink and signed by the Authorized Representative of the Applicant. All pages of the original Technical Proposal and Financial Proposal must be numbered and initialed by the person or persons signing the Proposal.
- 2.16.5 The completed Proposal must be uploaded on the e-procurement portal on or before the specified time on PDD. Proposals submitted by fax, telex, telegram, or e-mail shall not be entertained.
- 2.16.6 The Proposal shall be made in the Forms specified in this RFP. Any attachment to such Forms must be provided on separate sheets of paper and only information that is directly relevant should be provided. This may include photocopies of the relevant pages of printed documents. No separate documents like printed annual statements, firm profiles, copy of contracts etc. will be entertained.

2.17 Proposal Due Date

- 2.17.1 Proposal should be uploaded in the e-procurement portal in the manner as detailed in this RFP on or before the PDD as specified at Clause 1.8.
- 2.17.2 The Authority may, in its sole discretion, extend the PDD by issuing an Addendum in accordance with Clause 2.11 uniformly for all Applicants.

2.18 Late Proposals

Proposals received by the Authority after the specified time on PDD (as per Clause 1.8) shall not be eligible for consideration and shall be summarily rejected.

2.19 Modification/ substitution/ withdrawal of Proposals

- 2.19.1 The Bidder may modify, substitute, or withdraw its Proposal before submission of the Proposal in e-procurement portal prior to Proposal Due Date. Proposal cannot be modified, substituted, or withdrawn after the Proposal Due Date.
- 2.19.2 Any alteration/ modification in the Proposal or additional information supplied subsequent to the Proposal Due Date, unless the same has been expressly sought for by the Authority, shall be disregarded.

2.20 Performance Security

- 2.20.1 Within 15 days of receipt of the Letter of Acceptance, the successful Agency shall deliver to the Client the Performance Security equivalent to three (3) years quoted Annual Lumpsum Concession Premium in the form of bank guarantee as given in **Annex-5** of the draft Contract and shall be valid for the entire contract period.
- 2.20.2 Performance Security shall be provided to the Authority not later than the date specified in the Letter of Acceptance and shall be issued in an amount and form and type of instrument acceptable to the Authority. The performance Security shall be valid until a date 180 days from the date of expiry of the Contract.
- 2.20.3 The Performance Security shall be furnished from any (Public sector) Nationalized Banks/ Scheduled Commercial Banks approved by Reserve Bank of India.

2.20.4 Failure of the Selected Agency to furnish the Performance Security as described in Clause 2.20 or enter into Contract with the Authority would constitute sufficient grounds for the annulment of Letter of Acceptance. In such event, the Authority reserves the right to:

- i. forfeit the Selected Agency's Proposal for providing FTO services,
- ii. either invite the Agency with the next best offer for negotiations, or
- iii. take any such measure as may be deemed fit in the sole discretion of the Authority, including annulment of the Selection Process.

2.20.5 The Applicant, by submitting its Application pursuant to this RFP, shall be deemed to have acknowledged that without prejudice to the Authority's any other right or remedy here under or in law or otherwise, the Performance Security, if available, shall be forfeited and appropriated by the Authority as the mutually agreed pre-estimated compensation and damage payable to the Authority for, *inter alia*, the time, cost, and effort of the Authority in regard to the RFP including the consideration and evaluation of the Proposal under the following conditions:

- a) if an Applicant engages in any of the Prohibited Practices specified in Clause 4.1 of this RFP
- b) if the Applicant is found to have a Conflict of Interest as specified in Clause 2.3 and
- c) if the selected Applicant commits a breach of the Agreement.

D. EVALUATION PROCESS

2.21 Evaluation of Proposals

- 2.21.1 The Authority shall open the Proposals at the time and place specified in Clause 1.8 and in the presence of the Applicants who choose to attend. The “Technical Proposal” shall be opened first in the e-procurement portal and evaluated as per the terms of this RFP. The “Financial Proposal” shall be opened at a later date after the evaluation of the Technical Proposal.
- 2.21.2 Proposals which have been withdrawn in accordance with Clause 2.19 shall not be opened.
- 2.21.3 Prior to evaluation of Proposals, the Authority will determine whether each Proposal is responsive to the requirements of the RFP. A Proposal shall be considered responsive only if:
- a) the Technical Proposal is received in the forms specified at Appendix-I
 - b) the Technical proposal is received in the form as defined in Clause 2.1.3
 - c) it is received by the PDD including any extension thereof pursuant to Clause 2.17
 - d) it is signed and sealed as stipulated in Clauses 2.13 and 2.16
 - e) it is accompanied by the Power of Attorney as specified in Clause 2.2.5
 - f) it is accompanied by Earnest Money Deposit (EMD) (as applicable)
 - g) it contains all the information (complete in all respects) as requested in the RFP
 - h) it contains all documents pertaining to technical and financial capacity as stipulate in Clause 2.2.2 (A) and Clause 2.2.2 (B), respectively.
 - i) it does not contain any condition or qualification; and
 - j) it is not non-responsive in terms hereof.
- 2.21.4 The Authority reserves the right to reject any Proposal which is non-responsive and no request for alteration, modification, substitution, or withdrawal shall be entertained by the Authority in respect of such Proposals.
- 2.21.5 The Authority shall subsequently examine and evaluate Proposals in accordance with the Selection Process specified at Clause 1.6 and the criteria set out in Section-3 of this RFP.
- 2.21.6 After the technical evaluation, the Authority shall prepare a list of technically qualified Applicants in terms of Clause 3.2 for opening of their Financial Proposals. A date, time and venue will be notified to all Applicants for announcing the result of evaluation and opening of Financial Proposals. Before opening of the Financial Proposals, the list of technically qualified Applicants will be notified. The opening of Financial Proposals shall be done in presence of respective representatives of Applicants who choose to be present. The Authority will not entertain any query or clarification from Applicants who fail to qualify at any stage of the Selection Process. The financial evaluation and final ranking of the Proposals shall be carried out in terms of Clauses 3.1 & 3.3.
- 2.21.7 Applicants are advised that Selection shall be entirely at the discretion of the Authority. Applicants shall be deemed to have understood and agreed that the Authority shall not be required to provide any explanation or justification in respect of any aspect of the Selection Process or Selection.
- 2.21.8 Any information contained in the Proposal shall not in any way be construed as binding on the Authority, its agents, successors, or assigns, but shall be binding against the Applicant if the FTO service is subsequently awarded to it.

2.21.9 Letter of Award (LOA) will be issued to the Agency whose Financial Bid is found to be **the Highest (Highest Annual Lumpsum Concession Premium)**.

2.22 Confidentiality

Information relating to the examination, clarification, evaluation, and recommendation for the selection of Applicants shall not be disclosed to any person who is not officially concerned with the process or is not a retained professional advisor advising the Authority in relation to matters arising out of or concerning the Selection Process. The Authority shall treat all information, submitted as part of the Proposal, in confidence and shall require all those who have access to such material to treat the same in confidence. The Authority may not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or to enforce or assert any right or privilege of the statutory entity and/ or the Authority or as may be required by law or in connection with any legal process.

2.23 Clarifications

2.23.1 To facilitate evaluation of Proposals, the Authority may, at its sole discretion, seek clarifications from any Applicant regarding its Proposal. Such clarification(s) shall be provided within the time specified by the Authority for this purpose. Any request for clarification(s) and all clarification(s) in response thereto shall be in writing.

2.23.2 If an Applicant does not provide clarifications sought under Clause 2.23.1 above within the specified time, its Proposal shall be liable to be rejected. In case the Proposal is not rejected, the Authority may proceed to evaluate the Proposal by construing the particulars requiring clarification to the best of its understanding, and the Applicant shall be barred from subsequently questioning such interpretation of the Authority.

2.23.3 Bids determined to be substantially responsive will be checked by the authority for any arithmetic errors. In case of discrepancy between the rates quoted in figures and words, the rates quoted in words shall prevail for the correct amount. In case of discrepancy between the total bid amount quoted in e-Procurement portal and that entered in the Form -1, Financial proposal (in Appendix – 2), then the highest amount will be considered.

E. APPOINTMENT OF AGENCY

2.24 Negotiations

- 2.24.1 The Selected Applicant may, if necessary, be invited for negotiations. The negotiations shall generally not only for the price of the Proposal but will be for re-confirming the obligations of the selected Agency under this RFP. Issues such as involvement of Agency, understanding of the RFP, any suggestions made by Applicant to improve the Terms of Reference shall be discussed during negotiations. In case the Selected Applicant fails to reconfirm its commitment, the Authority reserves the right to designate the next ranked Applicant as the Selected Applicant and invite it for negotiations.
- 2.24.2 The Authority will examine the credentials of all Sub-Agency's/ Consortium Members proposed for this FTO Services and those not found suitable shall be replaced by the Selected Applicant to the satisfaction of The Authority.

2.25 Manpower during implementation

- 2.25.1 The Authority expects the Agency representative to be available during implementation of the project. Post signing of the Agreement, the Agency should submit a written application along with supporting documents for employing required Manpower or Personnel for the implementation of the proposed FTO at Shivamogga Airport and take written approval from the Authority.

2.26 Indemnity

The Agency shall, subject to the provisions of the Agreement, indemnify the Authority, for an amount not exceeding the value of the Contract, for any direct loss or damage that is caused due to any deficiency in Services.

2.27 Award of Contract

- 2.27.1 After selection, a Letter of Award (the “**LOA**”) shall be issued, in duplicate, by the Authority to the Selected Applicant and the Selected Applicant shall, within 7 (seven) days of the receipt of the LOA, sign and return the duplicate copy of the LOA in acknowledgement thereof. In the event the duplicate copy of the LOA duly signed by the Selected Applicant is not received by the stipulated date, the Authority may, unless it consents to extension of time for submission thereof, cancel the LOA and the next highest-ranking Applicant may be considered.
- 2.27.2 Notwithstanding Clause 2.27.1 the Client reserves the right to accept or reject any proposal and to cancel the tender process and reject all proposals, at any time prior to the award of Contract, without thereby incurring any liability to the affected Agency or any obligation to inform the affected Agency or Agency of the grounds for the Clients action.

2.28 Execution of Agreement

After acknowledgement of the LoA as aforesaid by the Selected Applicant, it shall execute the Contract within the period prescribed in Clause 1.8. Before executing the Contract, the Selected Applicant shall provide the Performance Security as specified in Clause 2.20. The Selected Applicant shall not be entitled to seek any deviation in the Contract. In case the Selected Applicant fails to execute the Contract within the specified period, the Authority has all the rights to take any decisions on the matter.

2.29 Commencement of Assignment

The Agency shall commence the proposed FTO project within 30 (Thirty) days of the date of the Agreement or such other date as may be agreed by the Authority. If the Agency fails to either sign the Agreement as specified in Clause 2.28 or commence the assignment as specified herein, the Authority may invite the second ranked

Applicant for negotiations. In such an event, the LOA, or the Agreement, as the case may be, may be cancelled/ terminated.

2.30 Proprietary data

Subject to the provisions of Clause 2.22, all documents and other information provided by the Authority or submitted by an Applicant to the Authority shall remain or become the property of the Authority. Applicants and the Authority, as the case may be, are to treat all information as strictly confidential. The Authority will not return any Proposal, or any information related thereto. All information collected, analyzed, processed or in whatever manner provided by the Agency to the Authority in relation to the FTO Services shall be the property of the Authority.

2.31 Contacts during Proposal Evaluation

Proposals shall be deemed to be under consideration immediately after they are opened and until such time, the Authority makes official intimation of award/ rejection to the Applicants. While the Proposals are under consideration, Applicants and/ or their representatives or other interested parties are advised to refrain from contacting by any means, the Authority and/ or their employees/ representatives on matters related to the Proposals under consideration.

2.32 Penalty

The Authority shall impose penalty on the selected Agency for failure in carrying out the assignment in respect of quality, time schedule and adequacy, as specified in the Contract.

2.33 Post Selection or award of Contract

- i. Selected Agency need to submit original technical proposal as submitted in the e-portal to KSIIDC along with other relevant documents for records.
- ii. KSIIDC reserves the right to cancel the selection of Agency, if documents uploaded in the e-portal are found not correct or not adhering to the terms of tender.
- iii. Selected agency shall submit all design & Technical drawings along with time schedule for commencement of FTO, to the Authority before commencement of the project for review and approval.
- iv. The selected agency shall obtain security clearance from BCAS/IB and all other statutory clearances stipulated by central and State Government.
- v. **Norms for providing services:** The successful Applicant shall obtain DGCA approval & clearances for Scheduled Operator (SOP)/Non-Scheduled Operator (NSOP)/ Flying Training Organization (FTO) etc before commencing the project.
- vi. **Availability of Key Personnel:** The Applicant shall offer and make available all key personnel to provide the services mentioned in Terms of Reference (TOR).
- vii. Any other approvals as mandated for FTO services by any of the Government/regulatory agencies.

3. CRITERIA FOR EVALUATION

3.1 Evaluation of Technical Proposals

3.1.1 In the first stage, the Technical Proposal will be evaluated based on Applicant's experience, its understanding of TOR, and the experience of Agency. **Only those Applicants whose Technical Proposals score 70 points or more out of 100 shall be ranked as per score achieved by them, from highest to the lowest technical score.**

3.1.2 The scoring criteria to be used for evaluation shall be as follows:

SL. No.	Criteria	Maximum Marks	Marks Obtained	Remark
1.	Net Worth: Applicant should have a net worth of Rs. 50 Crore in any two of the three (3) preceding financial years from the Bid Submission Date. (Applicant shall submit relevant copies of financial statements & Statutory Auditor certificate of the applicant for last 3 financial years for evaluation). <ul style="list-style-type: none"> For Rs.50 Crores in any two of the three years: 10 marks For Rs.50 –.75 Crore and above in any two of the three years: 15 marks Above Rs.75 Crores in any two of the three years: 20 marks (Applicant shall submit relevant copies of financial statements & Statutory Auditor certificate of the applicant for last 3 financial years for evaluation).	20		
2.	Work Experience: Applicant should have established and operated at least one (1) project having a minimum contract value of Rs.10 Crore (Rupees Ten Crore only) within the last five (5) years (as on PDD) for Central/ State Government /Private organizations in India under project types as mentioned in Clause 2.2.2 A (III) in the RFP. <ul style="list-style-type: none"> 35 marks for establishment of 1 eligible project of minimum contract value of Rs. 10 Crore completed contract. 40 marks for establishment of 	50		

	<p>more than 1 eligible project of minimum contract value of Rs. 10 Crore.</p> <ul style="list-style-type: none"> 50 marks for agencies who have prior experience in establishment and operating of FTO other than 1 eligible project of minimum contract value of Rs. 10 Crore. <p>(Applicant shall submit relevant copies of Work order / Contract agreement and Completion certificate for evaluation).</p>			
3.	<p>Annual turnover of Rs. 20 Crore for any of 3 (three) Financial years out of last 5 (Five) Financial years i.e., 2019-20, 2020-21, 2021-22, 2022-23 & 2023-24 in establishment /setting up of projects under project types as mentioned in Clause 2.2.2 A (III).</p> <ul style="list-style-type: none"> Rs. 20 Crore annual turnover for any of 3 (three) Financial years out of last 5 (Five) Financial years: 20 marks Above Rs. 20 Crore annual turnover for any of 3 (three) Financial years out of last 5 (Five) Financial years: 30 marks <p>(Applicant shall submit audited Balance Sheets and Profit & Loss Accounts for the last (5) five Financial Years for evaluation)</p>	30		
Total		100		

3.2 Short-listing of Applicants

The Applicants ranked as aforesaid, shall be qualified for financial evaluation in the second stage.

3.3 Evaluation of Financial Proposal

In the second stage, the financial evaluation will be carried. For financial evaluation, the total annual Concession premium indicated in the Financial Proposal (including GST and other applicable taxes) will be considered. The Financial Proposal will be considered for evaluation and selection of the bidder shall be done based on the **H1 bidder (Highest quote)**.

4. FRAUD AND CORRUPT PRACTICES

- 4.1 The Applicants and their respective officers, employees, agents, and advisers shall observe the highest standard of ethics during the Selection Process. Notwithstanding anything to the contrary contained in this RFP, the Authority shall reject a Proposal without being liable in any manner whatsoever to the Applicant, if it determines that the Applicant has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice, or restrictive practice (collectively the **“Prohibited Practices”**) in the Selection Process. In such an event, the Authority shall, without prejudice to its any other rights or remedies, forfeit and appropriate the Performance Security, if available, as mutually agreed genuine pre-estimated compensation and damages payable to the Authority for, *inter alia*, time, cost, and effort of the Authority, in regard to the RFP, including consideration and evaluation of such Applicant’s Proposal.
- 4.2 Without prejudice to the rights of the Authority under Clause 4.1 hereinabove and the rights and remedies which the Authority may have under the LOA or the Agreement, if an Applicant or Agency, as the case may be, is found by the Authority to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the Selection Process, or after the issue of the LOA or the execution of the Agreement, such Applicant or Agency shall not be eligible to participate in any tender or RFP issued by the Authority during a period of 3 (three) years from the date such Applicant or Agency, as the case may be, is found by the Authority to have directly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as the case may be.
- 4.3 For the purposes of this Clause, the following terms shall have the meaning hereinafter respectively assigned to them:
- (a) **“corrupt practice”** means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of any person connected with the Selection Process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of the Authority who is or has been associated in any manner, directly or indirectly with the Selection Process or the LOA or has dealt with matters concerning the Agreement or arising therefrom, before or after the execution thereof, at any time prior to the expiry of 1 (one) year from the date such official resigns or retires from or otherwise ceases to be in the service of the Authority, shall be deemed to constitute influencing the actions of a person connected with the Selection Process; or (ii) save as provided herein, engaging in any manner whatsoever, whether during the Selection Process or after the issue of the LOA or after the execution of the Agreement, as the case may be, any person in respect of any matter relating to the Project or the LOA or the Agreement, who at any time has been or is a legal, financial or technical Agency/ adviser of the Authority in relation to any matter concerning the Project;
 - (b) **“fraudulent practice”** means a misrepresentation or omission of facts or disclosure of incomplete facts, in order to influence the Selection Process
 - (c) **“coercive practice”** means impairing or harming or threatening to impair or harm, directly or indirectly, any persons or property to influence any person’s participation or action in the Selection Process
 - (d) **“undesirable practice”** means (i) establishing contact with any person connected with or employed or engaged by the Authority with the objective of

canvassing, lobbying or in any manner influencing or attempting to influence the Selection Process; or (ii) having a Conflict of Interest; and

- (e) “**restrictive practice**” means forming a cartel or arriving at any understanding or arrangement among Applicants with the objective of restricting or manipulating a full and fair competition in the Selection Process.

5. PRE-PROPOSAL CONFERENCE

- 5.1 Pre-Proposal Conference of the Applicants shall be convened at the designated date and time specified in Clause 1.8 and place specified in Clause 1.9. A maximum of two representatives of each Applicant shall be allowed to participate on production of an authority letter from the Applicant.
- 5.2 During the course of Pre-Proposal Conference, the Applicants will be free to seek clarifications and make suggestions for consideration of the Authority. The Authority shall endeavor to provide clarifications and such further information as it may, in its sole discretion, consider appropriate for facilitating a fair, transparent, and competitive Selection Process.

6. MISCELLANEOUS

- 6.1 The Selection Process shall be governed by, and construed in accordance with, the laws of India and the Courts at Bengaluru shall have exclusive jurisdiction over all disputes arising under, pursuant to and/or in connection with the Selection Process.
- 6.2 The Authority, in its sole discretion and without incurring any obligation or liability, reserves the right, at any time, to:
 - a) suspend and/or cancel the Selection Process and/or amend and/or supplement the Selection Process or modify the dates or other terms and conditions relating thereto.
 - b) consult with any Applicant in order to receive clarification or further information
 - c) retain any information and /or evidence submitted to the Authority by on behalf of and /or in relation to any Applicant; and /or
 - d) independently verify, disqualify, reject and/or accept any and all submissions or other information and/or evidence submitted by or on behalf of any Applicant.
- 6.3 It shall be deemed that by submitting the Proposal, the Applicant agrees and releases the Authority, its employees, agents and advisers, irrevocably, unconditionally, fully and finally from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and/or performance of any obligations hereunder, pursuant hereto and/or in connection herewith and waives any and all rights and/or claims it may have in this respect, whether actual or contingent, whether present or future.
- 6.4 All documents and other information supplied by the Authority or submitted by an Applicant shall remain or become, as the case may be, the property of the Authority. The Authority will not return any submissions made hereunder. Applicants are required to treat all such documents and information as strictly confidential.
- 6.5 The Authority reserves the right to make inquiries with any of the clients listed by the Applicants in their previous experience record.

SCHEDULES

SCHEDULE-1: Terms of Reference (TOR)

1 Introduction

Karnataka State Industrial & Infrastructure Development Corporation Limited (KSIIDC) earlier known as Karnataka State Industrial Investment & Development Corporation was established in the year 1964, as a wholly owned undertaking of the Government of Karnataka. KSIIDC is currently involved in recovery of the pending loan portfolios as well as implementation of major infrastructure projects on PPP basis like Development of a Sea Port at Tadadi, International Convention Centre (ICC) and Bangalore Signature Business Park (BSBP) near Kempegowda International Airport (KIA) and Greenfield airports across the State.

2 Scope of work:

The authority intends to set up Flight Training Organization (FTO) in Shivamogga airport in Karnataka on Design, Build, Finance, Operate, and Transfer (DBFOT basis) for a period of Twenty (20) years, however the tender period for 20 years is extendable to next ten (10) years with mutually agreed terms provided the services are found satisfactory. The agency shall Set up, Establish and Operate Flight Training Organization to provide training programmes in accordance with the scope of services as envisaged in this RFP. The agency should have expertise, functional and technical competency, and skilled manpower to perform the required services.

3 Objective

The objective of this project is that the selected bidder will be required to provide professional and independent support across the broad activities under each of the areas of scope provided below. It may be noted that these are broad areas, and the selected bidder is expected to take up any other activity associated with the scope and objective. Assessment of the policies and guidelines of regulatory agencies like DGCA, MOCA, BCAS etc periodically could enable identification of areas for improvement to achieve the sector-specific objectives of maintaining and bettering the training programs to be offered by FTO.

The bidder shall also support in the achievement of any amended objectives or additional objectives that are identified over the course of the assignment.

4 Contract Period

The selected bidder shall provide services for a period of 20 years from the Commencement Date as noted in the contract which shall be extended to another 10 years on mutually agreed terms and conditions provided the services are found satisfactory.

5 Broad Scope of Services

- 5.1** The broad scope of services to be provided by the bidder shall include, but is not limited to, Flight training programmes.

6 Detailed Scope of Services

- 6.1** The scope of services to be provided by the Agency as described below is general but is not exhaustive i.e., does not mention the entire incidental services required to be carried out. The services shall be provided in accordance with true intent and meaning, regardless of whether the same may or may not be particularly described, provided that the same can be reasonably inferred the scope provided herein. The scope of services shall also be governed by the provisions of the contract (the “**Contract**”) to be entered into between the Agency and the

Authority which sets forth the detailed terms and conditions for the scope of services to be undertaken by the selected Agency.

6.2 The activities under the scope of services shall have to be carried out simultaneously and may involve multiple stakeholders and strict time limits. Hence, interested agencies should form a multi-disciplinary team with adequate resources having a proven track record to deliver on the scope of services as envisaged in this EOI.

6.3 The scope of work of selected agency for the Setting up of Flight Training Organization (FTO) at Airport in Shivamogga in Karnataka shall cover the following:

6.3.1 General:

6.4 The selected agency shall be responsible for designing, engineering, procurement, construction, operation, and maintenance of Flight Training Organization (FTO) and also the setting up of Infrastructure of FTO (IOF) at its own cost, in accordance with the guidelines of DGCA/MoCA. KSIIDC or Government of Karnataka will not provide any financial assistance to the selected bidder for the proposed FTO and for allied infrastructure. The selected agency shall build adequate office space for the conduct of flight training programmes and also for operational and administrative staff associated with the FTO in accordance with the provisions of BCAS.

Adequate space shall be provisioned for storage area including secure area for training and keeping personnel records.

6.4.1 Classrooms and Training Aids:

The selected agency shall arrange the below requirements of classrooms and training aids for the conduct of the training programmes:

- a) Adequate and well-equipped classrooms. The classrooms shall properly be lighted and furnished. The size of the rooms shall be appropriate to accommodate the batch of students. (at least 4ft x 4 ft per student).
- b) Provision of simulators for the appropriate flight training
- c) Radio telephony training and testing facility
- d) Library with adequate number of textbooks / E-books for ground subjects, regulations and flying techniques, DGCA circulars, CARs, AICs, Aircraft Manual, AIP and its supplement and route maps for training. Books catalogue, register or list of books to track the revisions and stock position.
- e) Training aids – computer, projector/suitable monitor, multimedia aids etc

6.4.2 Practical Training Areas:

The mandatory training areas to be constructed for the FTO are as given below:

- a) Flight Operation room/ area
- b) Flight Planning room/ area
- c) Simulator training room
- d) Adequate briefing room
- e) Office facility for instructors
- f) Waiting room(s) for students
- g) Adequate telephone connection and internet connection shall be made available.

- h) Suitable and adequate hangar space for parking, mooring and maintenance of aircraft.
- i) The hangar shall be well lighted and suitable for aircraft maintenance.
- j) An alarm bell and manually operated siren in hangar/ operational area.
- k) Office space for the engineering and maintenance personnel
- l) Properly marked parking bays and taxi tracks
- m) All the areas are to be monitored through surveillance cameras.

The above list is indicative and any other requirements as per the statutory guidelines shall be considered by the selected bidder while setting up the FTO.

Note: An approved FTO shall not make a substantial change in facilities, equipment or material that have been approved for a particular training programme, unless that change is approved in advance by the DGCA.

The selected agency shall build the FTO as described above and shall transfer the FTO as well as the Infrastructure of FTO (IOF) build at the Airport to the Authority after completing the total lease period of 20 (Twenty) years or on expiry of licence period or, on termination of Agreement whichever is earlier in accordance with the provisions of the lease agreement proposed to be entered into between the Authority and the selected agency/bidder without any liability to the Authority

6.4.3 Land and other Infrastructure Development Details:

- a. The Authority will provide land parcel as per the provisions for a period of 20 years which shall be extended to another 10 years on mutually agreed terms and conditions provided the services are found satisfactory, to the selected bidder. The hangar or a suitable structure including other associated infrastructure required like apron etc is to be constructed by the bidder to carry out the permitted FTO activities as per the statutory regulations and terms of the Lease agreement.
- b. The selected agency shall obtain all the statutory Approvals or permits required to be taken before the commencement of the Construction Works from State/ Central Government Authorities and make its own arrangements for construction and procurement of materials needed under and in accordance with Good Industry Practice, Approvals, Applicable Laws and Policies.
- c. Prior to commencement of construction, the selected agency shall submit to the authority a detailed project report (DPR) with the requisite drawings and details for seeking approval of the DGCA, BCAS and other Govt. Authorities.
- d. The Selected agency has to pay **Annual Lease Rental** for the allotted land at Rs. 650/-PSMPA in advance to the Authority with cumulative escalation of 15% after every 3 years.
- e. In addition, the selected agency has to pay the Concession Fee at the rate as quoted by the bidder with cumulative escalation of 15% after completion of every 3 years.
- f. The selected bidder has to set up the FTO within the gestation period of 9 months from the date of signing of the agreement.
- g. The Annual Lease premium and Annual Concession fees will be levied on completion of gestation period of 9 months as mentioned above.

7 Bid Parameter:

The bid parameter shall be the Annual Concession Fee payable to the Authority in terms of INR per Flying Hour, subject to a **minimum of INR 800 (Eight Hundred)**

per Flying Hour per aircraft. The total number of Flying Hours (cumulative of all aircraft) in an Accounting Year shall be **minimum 2500 (Two Thousand Five Hundred) hours.**

8 Reporting

- 8.1** The Agency shall work closely with the Authority. A designated Official of the Authority will be responsible for the overall coordination. He will play a coordinating role in dissemination of the Agency's outputs, facilitating discussions, and ensuring required reactions and responses to the Agency.
- 8.2** Regular communication with the designated official and the Authority is required in addition to all key communications. This may take the form of telephone/teleconferencing, emails, faxes, and occasional meetings.
- 8.3** The Deliverables will be submitted as per schedule provided in this TOR and in the format and number of copies prescribed by the Authority.

9 Completion of Services

The Agency shall compile all the daily/ monthly reports and submit to the Authority in soft & hard copy. All the reports shall remain the property of the Authority and shall not be used without the consent of the Authority.

10 General Conditions

- a. The Agency shall not be allowed to transfer, assign or sub-contract its rights and liabilities under the contract to any other Agency without prior written consent of KSIIDC.
- b. KSIIDC shall not be responsible for any damages, losses. Claims, financial or other injury to any person deployed by selected Agency in the course of their performing the functions/duties, or for payment towards any compensation.
- c. In case of termination of this contract on its expiry or otherwise, the persons deployed by the selected Agency shall not be entitled to and will have no claim for any absorption nor for any relaxation for absorption in the regular/otherwise capacity in KSIIDC.
- d. The Agency shall also be liable for depositing all taxes, levies, Cess etc. on account of service rendered by it to KSIIDC to the concerned tax collection authorities from time to time as per extant rules and regulations on the matter.
- e. The Agency shall maintain all statutory registers under the applicable law. The Agency shall produce the same, on demand, to the concerned authority of KSIIDC or any other authority under law.
- f. In case, the Agency fails to comply with any statutory/taxation liability under appropriate law, and as a result thereof KSIIDC is put to any loss/obligation, monetary or otherwise, KSIIDC will be entitled to get itself reimbursed out of the outstanding bills or the Performance Security Deposit of the Agency, to the extent of the loss or obligation in monetary terms.
- g. In case of breach of any terms and conditions attached to this contract, the Performance Security Deposit of the Agency will be liable to be forfeited by KSIIDC besides annulment of the contract.
- h. KSIIDC reserves the right to withdraw/relax any of the terms and conditions mentioned above so as to overcome the problem encountered by the contracting parties.
- i. GST and all applicable taxes shall be included in all payments as per the RFP at the prevailing applicable rates and any changes or revisions on GST or any other applicable taxes made by the Government, shall be appropriately considered by the selected bidder while making any payments to KSIIDC during the entire tenure of the project.

SCHEDULE-2: Form of Agreement

(See Clause 2.1.3 of RFP)

DRAFT LEASE AGREEMENT – SHIVAMOGGA AIRPORT, KARNATAKA

Draft Long Term Development Agreement (LDA)

for

**LEASE-CUM DEVELOPMENT, OPERATION & MANAGEMENT OF FLIGHT TRAINING
ORANIZATION AT SHIVAMOGGA AIRPORT, KARNATAKA**

BETWEEN

**KARNATAKA STATE INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT
CORPORATION LIMITED (KSIIDC)**

AND

XXXXXXXXXXXXXXXXXX

_____,2025

THIS LEASE AGREEMENT ("Agreement") is entered into on this ____ day of _____, 2025 at _____

BETWEEN

1) **Karnataka State Industrial and Infrastructure Development Corporation Limited (KSIIDC)**, a Government of Karnataka undertaking and having its Corporate Office at Bangalore (hereinafter referred to as the "Authority" or "KSIIDC" which expression shall, unless repugnant to the context or meaning thereof, include its administrators, successors and assigns); of One Part;

AND

2) _____, a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at _____ (hereinafter referred to as the "**Lessee**" which expression shall, unless it be repugnant to the context or meaning thereof, include its successors and permitted assigns and substitutes) of the Other Part.

WHEREAS:

A. The Authority had resolved to establish Flight Training Organizations (hereinafter referred to as "FTO") **on Design, Build, Operate, Maintain and Transfer basis** by leasing the land at **Shivamogga Airport** on a land parcel admeasuring 3500 Sq. Mtr at _____ constituting the Site. Pursuant to the above resolution of the Authority, the Authority has decided to appoint a person/company/agency/establishment to develop FTO as per the standards decided by Directorate General of Civil Aviation (hereinafter referred to as "DGCA") on Lease for its use in accordance with the terms and conditions set forth in this Agreement.

B. The Authority had prescribed the technical and commercial terms and conditions, and invited bids (the "Request for Proposal" or the "RFP"), for leasing of land for establishing FTO to the successful Bidder for the term set out herein below and, accordingly issued notice inviting tender ("NIT"), and invited proposals from interested bidders vide Request for Proposal dated _____, 2025.

C. After evaluation of the bids received, the Authority had accepted the bid of _____ and issued its Letter of Award number _____ (herein after called the "LOA") to the Lessee requiring, inter alia, the execution of this Agreement within 30 (thirty) days of the date of issue of LOA thereof.

D. The Authority has agreed to enter into this Agreement with the Lessee for the Design, Build, Operate and maintenance of the FTO at the Site for the Contract Period of this Agreement and to transfer the infrastructure built at the Airport at zero cost to Authority at the expiry of the Contract Period or upon Termination of this Agreement, whichever is earlier, subject to and on the terms and conditions set forth hereinafter.

E. The Lessee represents and warrants that it has duly fulfilled all the terms and conditions necessary for the execution of this Agreement as per the terms and conditions in the Bid documents and is in a position to execute this Agreement and fulfil its obligations as envisaged in the Bid and this Agreement.

F. It is the endeavour of the Parties to develop an international standard flight training organization where all training activities are carried out in a timely manner with requisite performance standards.

G. The Parties recognize and acknowledge that in matters related to Flight Training Organization infrastructure and civil aviation activities, Government of India has and should continue to have a major role and responsibility in determining the framework for the aviation sector.

H. In light of compliance by the Lessee of the pre-conditions to the execution of the Agreement, Authority has agreed to enter into this Agreement vesting the Lease rights with the Lessee on the terms, conditions, and covenants hereinafter set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth in this Agreement, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

SCOPE OF THE PROJECT

1 Scope of work:

The authority intends to set up Flight Training Organization (FTO) in Shivamogga airport in Karnataka on Design, Build, Finance, Operate, and Transfer (DBFOT basis) for a period of Twenty (20) years, however the tender period for 20 years is extendable to next ten (10) years with mutually agreed terms provided the services are found satisfactory. The agency shall Set up, Establish and Operate Flight Training Organization to provide training programmes in accordance with the scope of services as envisaged in this RFP. The agency should have expertise, functional and technical competency, and skilled manpower to perform the required services.

2 Objective

2.1 The objective of this project is that the selected bidder will be required to provide professional and independent support across the broad activities under each of the areas of scope provided below. It may be noted that these are broad areas, and the selected bidder is expected to take up any other activity associated with the scope and objective. Assessment of the policies and guidelines of regulatory agencies like DGCA, MOCA, BCAS etc periodically could enable identification of areas for improvement to achieve the sector-specific objectives of maintaining and bettering the training programs to be offered by FTO.

2.2 The bidder shall also support in the achievement of any amended objectives or additional objectives that are identified over the course of the assignment.

3 Contract Period

3.1 The selected bidder shall provide services for a period of 20 years from the Commencement Date as noted in the contract which shall be extended to another 10 years on mutually agreed terms and conditions provided the services are found satisfactory.

4 Broad Scope of Services

4.1 The broad scope of services to be provided by the bidder shall include, but is not limited to, Flight training programmes.

5 Detailed Scope of Services

5.1 The scope of services to be provided by the Agency as described below is general but is not exhaustive i.e., does not mention the entire incidental services required to be carried out. The services shall be provided in accordance with true intent and meaning, regardless of whether the same may or may not be particularly described, provided that the same can be reasonably inferred the scope provided herein. The scope of services shall also be governed by the provisions of the contract (the “**Contract**”) to be entered into between the Agency and the Authority which sets forth the detailed terms and conditions for the scope of services to be undertaken by the selected Agency.

5.2 The activities under the scope of services shall have to be carried out simultaneously and may involve multiple stakeholders and strict time limits. Hence, interested agencies should form a multi-disciplinary team with adequate resources having a proven track record to deliver on the scope of services as envisaged in this EOI.

5.3 The scope of work of selected agency for the Setting up of Flight Training Organization (FTO) at Airport in Shivamogga in Karnataka shall cover the following:

6 General:

The selected agency shall be responsible for designing, engineering, procurement, construction, operation, and maintenance of Flight Training Organization (FTO) and also the setting up of Infrastructure of FTO (IOF) at its own cost, in accordance with the guidelines of DGCA/MoCA. KSIIDC or Government of Karnataka will not provide any financial assistance to the selected bidder for the proposed FTO and for allied infrastructure. The selected agency shall build adequate office space for the conduct of flight training programmes and also for operational and administrative staff associated with the FTO in accordance with the provisions of BCAS.

Adequate space shall be provisioned for storage area including secure area for training and keeping personnel records.

7 Classrooms and Training Aids:

The selected agency shall arrange the below requirements of classrooms and training aids for the conduct of the training programmes:

- a) Adequate and well-equipped classrooms. The classrooms shall properly be lighted and furnished. The size of the rooms shall be appropriate to accommodate the batch of students. (at least 4ft x 4 ft per student).
- b) Provision of simulators for the appropriate flight training
- c) Radio telephony training and testing facility
- d) Library with adequate number of textbooks / E-books for ground subjects, regulations and flying techniques, DGCA circulars, CARs, AICs, Aircraft Manual,

AIP and its supplement and route maps for training. Books catalogue, register or list of books to track the revisions and stock position.

e) Training aids – computer, projector/suitable monitor, multimedia aids etc

8 Practical Training Areas:

The mandatory training areas to be constructed for the FTO are as given below:

- a) Flight Operation room/ area
- b) Flight Planning room/ area
- c) Simulator training room
- d) Adequate briefing room
- e) Office facility for instructors
- f) Waiting room(s) for students
- g) Adequate telephone connection and internet connection shall be made available.
- h) Suitable and adequate hangar space for parking, mooring and maintenance of aircraft.
- i) The hangar shall be well lighted and suitable for aircraft maintenance.
- j) An alarm bell and manually operated siren in hangar/ operational area.
- k) Office space for the engineering and maintenance personnel
- l) Properly marked parking bays and taxi tracks
- m) All the areas are to be monitored through surveillance cameras.

The above list is indicative and any other requirements as per the statutory guidelines shall be considered by the selected bidder while setting up the FTO.

Note: An approved FTO shall not make a substantial change in facilities, equipment or material that have been approved for a particular training programme, unless that change is approved in advance by the DGCA.

The selected agency shall build the FTO as described above and shall transfer the FTO as well as the Infrastructure of FTO (IOF) build at the Airport to the Authority after completing the total lease period of 20 (Twenty) years or on expiry of licence period or, on termination of Agreement whichever is earlier in accordance with the provisions of the lease agreement proposed to be entered into between the Authority and the selected agency/bidder without any liability to the Authority

9 The scope of the Project shall also include:

- a. Setting up of a flight training organization.
- b. Operations of Flight Training Organization for the duration of the lease agreement.
- c. The bidder must comply with the Civil Aviation Requirements (CAR) for Flight Training Organization relating to infrastructure, procedures and manpower issued from DGCA, New Delhi.
- d. The bidder should get all the necessary clearances/licenses/approvals/permissions from the respective regulatory bodies including Director General of Civil Aviation, Government of India.

- e. The bidder shall get insurance coverage for all the facilities, cadets and the staff working with them for an adequate amount as per industry standard. Karnataka State Industrial and Infrastructure Development Corporation Limited in Karnataka will not be responsible for any claim for loss or damage of property or life in anyway.
- f. The bidder should be able to demonstrate the development of flying academy to train 100 pilot cadets per annum and 70% placement of successful cadets as an aircraft pilot is desirable.
- g. The bidder should upscale the training academy capacity to 50 cadets within 12 months from date of commencement of operations and enhance to 100 cadets per year by the end of 3 years from the from date of commencement of operations.
- h. The bidder should be able to deploy 03 airworthy aircraft within 3 months of commencement of operations and scale up to the number of airworthy trainer aircrafts as required by the DGCA guidelines within 12 months of commencement of operations.
- i. 25% seats shall be reserved for the domicile of Karnataka and women candidates with concessional fees.

Explanation

Commercial Pilot License candidates under this category will be selected by the bidder at his own discretion and the list of admitted cadets shall be submitted to KSIIDC for its records and verification.

- j. The successful bidder may create his own infrastructure where land maybe allotted at the airport at the prevailing rate as and when required.
- k. The successful bidder will undertake deployment of world-class and adequately trained staff for training, services, operation and maintenance extension/continuation would be based on Quality of Training and Output quality of the candidates.
- l. Use of airstrip and airport infrastructure on a non-exclusive basis, preference shall be given to SOP/NSOPs.

m. Non-exclusive Concession:

The grant of concession to the concessionaire shall be on a non-exclusive basis, for Lease cum Development, Operation & Management of Flight Training Organization at Shivamogga Airport. At any time during the Lease Period, the Authority may enter into other agreement(s) with other parties for Development, Operation & Management of Flight Training Organization, when it is deemed appropriate. It is understood and agreed that nothing in the RFP or the LDA is to be construed to grant or authorize the granting of an exclusive right to the Lessee.

10 Facilities to be provided by KSIIDC:

The Karnataka State Industrial and Infrastructure Development Corporation Limited shall provide the following facilities to the Lessee for the duration of this agreement on lease basis:

- a. 1,500 square meters of open land on the airside for development of Hangar facility by the bidder for parking and maintenance of training aircraft in the security area, as mentioned in the RFP and as per designs/drawings approved by KSIIDC.
- b. 2,000 square meters of open land on the city side for development of administrative offices, classrooms, and other auxiliary facilities required for the above purpose by the Lessee, in accordance with the RFP and as per designs/drawings approved by

KSIIDC.

- c. Operating cost on actuals (Electricity, security, housekeeping) shall be paid monthly by the bidder as per the norms finalized by KSIIDC.
- d. The services and infrastructure related to Fire Safety, Ambulance, Flying Hours, ATC Facility, Meteorological Services, Airstrips etc includes in flying rates.
- e. The successful bidder may create his own infrastructure on land allotted at the airport, with the prior approval of KSIIDC.

11 Concession

11.1 The Parties agree that concessionaire shall pay to KSIIDC a concession fee amounting to premium with the prescribed rate as below:

- a) The Selected agency has to pay **Annual Lease Rental** for 3500 Sq. Mtr of the allotted land at Rs. **650/-PSMPA** in advance to the Authority with cumulative escalation of 15% after every 3 years.
- b) In addition, the selected agency has to pay the Concession Fee at the rate as quoted by the bidder with cumulative escalation of 15% after completion of every 3 years.
- c) The selected bidder has to set up the FTO within the gestation period of 9 months from the date of signing of the agreement.
- d) After handing over of proposed land by the Authority to the selected agency and incase if the selected agency has not started any work within 9 months of gestation period, then the authority will forfeit the entire performance security submitted by the selected agency.
- e) In the event where the selected bidder has started the work but not been able to complete the setting up of FTO within the 9 months of gestation period, then the appropriate penalty clause shall be applied by the Authority.
- f) The Annual Lease premium and Annual Concession fees will be levied on completion of gestation period of 9 months as mentioned above.
- g) Operating cost on actuals (Electricity, security, housekeeping) shall be paid monthly by the bidder as per the norms finalized by KSIIDC.
- h) The services and infrastructure related to Fire Safety, Ambulance, Flying Hours, ATC Facility, Meteorological Services, Air strips etc includes in flying rates and parameter security will be provided by KSIIDC.

12 Payment Account

12.1 Fee

12.1.1 In consideration of the Lease of the Site and the Infrastructure of FTO (IOF) constructed thereupon, granted to the Lessee in terms of the provisions contained herein, the Lessee shall pay to the Authority from the Fee Commencement Date, a fee (referred to as the "Fee") which is equivalent to higher of either:

- a) The Lease Fee calculated as per the rate given in the RFP for the allocated Site for the proposed FTO
- b) (Concession Fee computed on the basis of total number of actual Flying Hours (cumulative of all aircraft) multiplied by the Concession Fee rate (in terms of INR

per Flying Hour per aircraft) given in the LOA as [] or 2500 Flying Hours multiplied by the Concession Fee rate (in terms of INR per Flying Hour per aircraft) given in the LOA as whichever is higher.

The Lease Fee and the Concession Fee shall be subject to escalations as mentioned in Clause 12.1.2. and 12.1.3 below. It is clarified that Concession Fee rate quoted by the bidder shall be exclusive of all applicable taxes & GST. For the avoidance of doubt, GST, cess or any other tax applicable shall be borne by the Lessee over and above the accepted Fee.

12.1.2 On and from the beginning of each 3rd (Third) Accounting Year (viz 3rd,6th,24th) after the Fee Commencement Date, the Fee (both Lease Fee & Concession Fee) payable by the Lessee to the Authority in terms of Clause 12.1.1 above, shall stand escalated at the rate of 15% (Fifteen percent). It is clarified that each such escalation on the Fee shall be computed on the Fee payable during the immediately preceding Accounting Year in terms of this Agreement.

12.1.3 The Concession Fee for an Accounting Year shall be calculated on the basis of following slab:

- a. Up to 2500 Flying Hours, the Concession Fee shall be calculated as per the Concession Fee rate in Clause 12.1.1 (b)
- b. For Flying Hours greater than 2500 & up to 6,000, the Concession Fee shall be calculated at 50% discount to the Concession Fee rate in Clause 12.1.1 (b); and
- c. For Flying Hours greater than 6,000, the Concession Fee shall be calculated at 75% discount to the Concession Fee rate at Clause 12.1.1 (b).

[For example, if an FTO completes a total of 15,000 Flying Hours, and the Concession Fee rate is INR 800/-, then the Concession Fee shall be calculated in the following manner:

- I. for first 2500 Flying Hours, Concession Fee= 2500 x INR 800/-, i.e., INR 20,00,000/-
- II. for 6000 Flying Hours, Concession Fee= 5000 x INR 360/- (50% discount on INR 800/-) i.e., INR 24,00,000/-
- III. for remaining 6500 Flying Hours, Concession Fee= 7500 x INR 200/- (75% discount on INR 800/-), i.e., INR 13,00,000/-

Thus, the Concession Fee in terms of Clause 12.1.1 (b) shall be equal to (i)+(ii) +(iii) above i.e. INR 57,00,000.00/-]

12.1.4 The Annual Concession fee and lease rental payable to the Authority by the Lessee in terms of this Agreement shall be paid in advance on or prior to the 10th day of April of each Accounting year by RTGS/ NEFT in favour of the Authority, on and from the Fee Commencement Date.

12.1.5 The excess/ shortfall amount of Fee paid in an Accounting Year, if any, shall be reconciled within 15 days from the end of respective Accounting Year paid on the basis of total Flying Hour of the month and respective quoted rates. The excess / shortfall amount shall be paid by 30th April of the respective Accounting year.

12.1.6 It is expressly clarified that Fee payable to the Authority by the Lessee is exclusive

of all Applicable Taxes & GST.

- 12.2 It is clarified that in terms of Clause 12.1.1 above, the Lessee shall not be liable to pay the Fee to the Authority before the Fee Commencement Date.
- 12.3 Authority does not receive the payment of the amounts due hereunder by the due date specified herein, the amount owed shall bear interest for the period starting on and including the due date for payment and ending on but excluding the date when payment is made, calculated at SBI One Year MCLR plus 4% (four percent) per annum. Notwithstanding anything contained herein, the Lessee shall at all times be liable to pay the Fee in advance.
- 12.4 For the avoidance of doubt, GST, cess or any other tax applicable shall be borne by the Lessee over and above the accepted Fee as per Clause 12.1.1 above.
- 12.5 **Other Charges:** No additional charges shall be levied by the Authority over and above the Fee in terms of this Clause. Notwithstanding the foregoing, the Lessee shall be liable to pay **Aeronautical Ground Lighting (AGL)** charges for its usage @20% of the Concession Fee as per Clause 12.1.1 (b) including escalation as per Clause 12.1.2 on per hour based on actual usage for the period beyond dawn to dusk (no AGL charges shall be payable for its usage during dawn to dusk). Furthermore, the Lessee shall reimburse the charges in respect of usage of electricity and water to the Authority on actual basis.
For example, If an FTO completes a total of 9,000 Flying Hours including 1000-night Flying Hours in an Accounting Year, and the Concession Fee rate for that year is INR 800/-, then the AGL charges shall be calculated in the following manner:
- $$\text{AGL charge for Accounting Year} = (\text{night Flying Hours} / \text{total Flying Hours}) \times \text{Concession Fees} \times 20\% \text{ i.e. } (1000/9000) \times (800 \times 3000 + 160 \times 5000 + 80 \times 1000) \times 20\% = 0.11 \times 32, 80,000 \times 20\% = \text{INR } 72,889/-.$$
- 12.6 In addition to the above fees, if the FTO utilizes the services of ATC and CNS facilities for their training purpose beyond watch hours, the applicable charges for the facilities shall be charged to the FTO on actual basis.

13 Performance Parameters

- 13.1 The bidder should be able to demonstrate the development of infrastructure for flying academy to train 100 pilot cadets per annum.
- 13.2 The bidder should upscale the training academy capacity to 50 cadets within 12 months of commencement of FTO and enhance to 100 cadets per year by the end of 3 years from the commencement of FTO and 70% placement of successful cadets as aircraft pilot is desirable.
- 13.3 The bidder should be able to deploy 03 airworthy aircraft within 3 months of commencement of FTO and scale up to the number of airworthy trainer aircrafts as required by the DGCA guidelines within 12 months of commencement of FTO operations.

14 Reservation of seats for Karnataka Domiciles

- 14.1 25% seats shall be reserved for the domicile of Karnataka and women candidates with concessional fees.

Explanation

Commercial Pilot License candidates under this category will be selected by the bidder at his own discretion and the list of admitted cadets shall be submitted to KSIIDC for its

records and verification.

15 Liability

- 15.1 **Concessionaire Liability:** Subject to agreement, as between concessionaire and KSIIDC (and their respective employees, servants and agents), concessionaire alone will bear any responsibility there may be for any cost, expense, loss, liability or damage suffered for incurred by any user(s) at the Airport or any other person(s) or otherwise and arising out of or in connection with setting up and maintaining the Flight Training Organization without recourse to KSIIDC (or any of its respective employees, agents and/or servants) to the extent that such cost, expense, loss, liability or damage arises as a result of the negligence of concessionaire (and its employees, servants and agents).
- 15.2 Neither KSIIDC nor concessionaire shall be liable for any special, indirect, incidental or consequential damages arising out of or in connection with this Concession Agreement.
- 15.3 **KSIIDC Liability:** KSIIDC and concessionaire will be obliged to give information to the other party if any legal proceeding is initiated in any court or tribunal against them relating to this Concession Agreement.

16 LDA – Terms and Conditions

- 16.1 The concessionaire shall comply with the requirements laid down by the DGCA, New Delhi, Ministry of Civil Aviation, Govt. of India, Government of Karnataka and Karnataka State Industrial and Infrastructure Development Corporation Limited, from time to time.
- 16.2 It shall be incumbent on the concessionaire to obtain the necessary permissions/clearances/ approvals/ Licenses etc. from different statutory authorities and the Karnataka State Industrial and Infrastructure Development Corporation Limited, Karnataka will in no way be responsible for procuring them for the Flight Training Organization. However, the department will issue a letter of intent (LoI) to the successful bidder to facilitate obtaining the required Licenses etc.
- 16.3 The concessionaire shall obtain requisite clearances of operational safety and other aspects from Director General of Civil Aviation (DGCA) and Airports Authority of India (AAI), before the commencement of flight training activities.
- 16.4 The concessionaire shall ensure adherence to all Civil Aviation safety norms for the conduct of smooth flying training operation as per flight training circular as issued by DGCA, Government of India from time to time.
- 16.5 The concessionaire shall have their own arrangements for security other than the security provided by KSIIDC; shall provide essential security of the airstrip during the whole agreement period and the currency of flight training at his risk & cost.
- 16.6 The services and infrastructure related to Fire Safety, Ambulance, Flying Hours, ATC Facility, Meteorological Services, Airstrips etc includes in flying rates.
- 16.7 The concessionaire shall adhere to the minimum statutory cover as prescribed by the Government in respect of the trainee insurance and a copy of the same has to be submitted to KSIIDC. It shall also undertake comprehensive insurance for covering all types of risk including the third party.
- 16.8 The concessionaire shall obtain appropriate insurance cover for all the facilities, staff and trainees at the airfield, and the department shall not be liable for any claims arising from out of the operation of private flying training organization from its airfield in relation to any incident/accident involving any financial or legal

liability pertaining to the life and property of anyone.

- 16.9 Ensuring the availability of healthy Drinking water, Sanitation and other preliminary facilities shall be the responsibility of the concessionaire.
- 16.10 The airfield shall be used only for imparting training in aviation-related training activities permitted by the DGCA and no one else. The control and complete ownership of the airfield would remain with KSIIDC, Government of Karnataka and no one else.
- 16.11 The organization shall have no legal right to object to the use of the airfield for purposes related to other commercial/recreational aviation activities as may be permitted by KSIIDC from time to time. When an airfield is put to uses other than flying training, or when multiple operators for imparting flying training are allowed from a given airstrip, the department would undertake to coordinate the use of the airspace and ground space at the airfields through appropriate administrative/technical arrangements.
- 16.12 State or Union Government aircraft/VVIP/VIP aircraft landing/take-off/ movement shall always have precedence over flying training.
- 16.13 The Radio Telephony Communication from the ground to air if needed will be the responsibility of the concessionaire and it shall get necessary clearance from the Ministry of Communication. The clearance shall be submitted to KSIIDC prior to commencement of flying activities.
- 16.14 The Government of Karnataka through Karnataka State Industrial and Infrastructure Development Corporation Limited will reserve right to allow any other operator to utilize the airfield for the above propose and the decision of KSIIDC will be binding on the concessionaire.
- 16.15 In case the plane belonging to the FTO is required for purposes other than training such as medical aviation, flower dropping, charter operation and general aviation flights, prior permission in writing as per rule, would be required from KSIIDC and no violation in this regard would be accepted.
- 16.16 The selected FTO shall carry on its business and affairs with due diligence and efficiency and in accordance with sound international financial and commercial standards and practices and shall fully account for all aspects of its business by preparing financial statements and delivering them to the Karnataka State Industrial and Infrastructure Development Corporation Limited, Karnataka and the Regulatory Authority as follows:
 - (a) at the end of each financial year, the concessionaire shall prepare and submit to KSIIDC the concessionaire's balance sheet, a profit and loss account and a statement of cash flow drawn up in accordance with generally accepted international accounting practices and applicable Indian corporate law and certified by qualified corporate auditors registered in India.
 - (b) the concessionaire shall prepare and submit to KSIIDC and the Regulatory Authority a quarterly statement of the concessionaire's revenues and disbursements, expected trends for the next quarter, progress concerning current investment and proposed additional investments.
 - (c) the concessionaire shall prepare for submission to KSIIDC and Regulatory Authority such other information on the financial position of the Company as KSIIDC and the Regulatory Authority may from time- to-time reasonably request to monitor compliance with the Applicable Regulations

and with this Agreement. At the end of each financial year, KSIIDC shall be entitled to appoint, at its own expense, its own qualified auditor to verify the information provided by the concessionaire and the concessionaire shall provide all reasonable assistance to such auditor.

- 16.17 KSIIDC shall have the right to inspect or get inspected the buildings/ facilities / plant and machinery of the FTO, owned or leased at any time.
- 16.18 The concessionaire must provide the details of manpower deployed at the FTO with hierarchical setup and number of instructors for each type of training. The replacement of such manpower resources must be substantiated with equivalent or higher educational qualifications and professional experience. The replacement must also be approved by appropriate authority.
- 16.19 Subject to the provisions contained in this Agreement, the Lessee may sub-contract the Construction Work and maintenance relating to the FTO by any other Person by entering into appropriate contractual arrangements co-terminus with this Agreement; provided however that:
- a. Lessee shall not create any Encumbrance on the whole or any part of the Site and/ or the IOF in any form or under any arrangement, device or method. This is an essential condition of this Agreement, the breach of which shall constitute a Lessee's Event of Default that shall entitle the Authority to terminate this Agreement in accordance with the provisions hereof.
 - b. the Lessee shall retain overall management, responsibility, obligation and liability in relation to the sub-contracted work. Any such subcontracting shall not relieve the Lessee from any of its obligations in respect of such work under this Agreement. It is clarified that Lessee shall remain liable and responsible for any acts, omissions or defaults of any Subcontractors, and shall indemnify the Authority in respect thereof; and
 - c. The Lessee acknowledges, accepts and confirms that the covenants contained herein are essence of this Agreement.

17 Obligations of the Lessee

- 17.1 The Lessee acknowledges that the Authority has granted Lease of Site for establishment of FTO under the vision of Government of India's 'Atmanirbar Bharat' in order to encourage establishment of FTOs in India and has received concessions from the Authority for the same. In light of the aforementioned, the Lessee undertakes to pass on the concessions received from the Authority to the student pilots and develop a world class FTO facility with adequately trained professionals, services, operations and maintenance and safety standards. Subject to and on the terms and conditions of this Agreement, the Lessee shall, at its own cost, undertake the design, engineering, procurement, construction, operation and maintenance of the FTO and observe, fulfil, comply with and perform all its obligations set forth in this Agreement or arising hereunder.
- 17.2 The Lessee shall obtain the pre-operational Approvals before Fee Commencement Date
- 17.3 The FTO under this lease is being established to augment India's flying training capacity. The Lessee shall deploy additional aircraft(s) for the FTO and do not utilize the aircrafts from its other establishment, if any. In case of closure of operations from the existing establishment and relocation to the facility being established under this tender, the Lessee shall seek prior approval of Authority.
- 17.4 In addition to other statutory clearances/approvals for FTOs shall be obtained by the

selected agency. However, in this regard, Authority shall extend all possible co-operation on best efforts basis to obtain necessary clearances.

- 17.5** The apron shall be, a minimum suitable for Code 2B or equivalent (AUW 2500), type of aircrafts as the link taxiway of similar category is being provided by the Authority
- 17.6** A site layout plan of the proposed FTO shall be submitted by the selected agency, for which design and concept level approval of DGCA needs to be sought. In case of material deviation from the plan, which requires approval of the statutory authorities, the lessee shall seek the same. Lessee to follow the mitigation measures based on the Safety Assessment of FTO done by the Authority in consultation with the various stakeholders.
- 17.7** The Lessee shall comply with all Applicable Laws and Policies including without limitation, the Act and the National Civil Aviation Policy, 2016 and the policies of the Authority (as issued and amended from time to time) and the DGCA and obtain and comply with the terms and conditions of all the Approvals (including renewals thereof) in the performance of its obligations under this Agreement.
- 17.8** The Lessee shall keep the Performance Security furnished to the Authority valid at all times during the contract period.
- 17.9** The Lessee shall pay all costs, charges, statutory deposits, Taxes (including GST), duties (including stamp duties, if any), fees (including any Fee) rates and other user charges (including those applicable for existing utility connections), if any and any other dues assessment or outgoings payable in respect of the FTO (including new utility connections obtained by it, if any) which may be levied by Government Instrumentalities, wherever applicable. The Fee payable by the Lessee in terms of this Agreement shall not be changed by the Authority, for any reason whatsoever, except for the reason of escalation in terms of Clause 17 of this Agreement.
- 17.10** Pay all the Taxes, cesses and duties imposed by the relevant Government Authorities and/ or Government Instrumentalities in relation to the Site including without limitation the municipal taxes.
- 17.11** The Lessee shall use the Site and IOF only for the Permitted Uses.
- 17.12** The Lessee shall discharge its obligations in accordance with Good Industry Practice and as a reasonable and prudent person.
- 17.13** The Lessee shall, at its own cost and expense, in addition to and not in derogation of its obligations elsewhere set forth in this Agreement:
 - 17.13.1** make, or cause to be made, necessary applications to the Authority, DGCA and other relevant Government Instrumentalities with such particulars and details, as may be required for obtaining all Approvals, other than those set forth in Clause 3.2 above, and obtain and keep in force and effect such Approvals in conformity with the Applicable Laws and Policies
 - 17.13.2** make all other payments required to be made in accordance with Applicable Laws and Policies in relation to its rights and obligations under this Agreement.
 - 17.13.3** procure, as required, the appropriate proprietary rights, licenses, agreements and permissions for materials, methods, processes, and systems required for the establishment of the FTO.
 - 17.13.4** make reasonable efforts to maintain harmony and good industrial relations among the personnel employed by it or its Sub-contractors in connection with the performance of its obligations under this Agreement.

- 17.13.5 ensure and procure that its Sub-contractors comply with all Approvals and Applicable Laws and Policies in the performance by them of any of the Lessee's obligations under this Agreement.
- 17.13.6 ensure optimal use, operation and maintenance of the Site & IOF throughout the Contract Period
- 17.13.7 not do or omit to do any act, deed or thing which may in any manner be violative of any of the provisions of this Agreement
- 17.13.8 transfer the Site & IOF at zero cost to the Authority upon expiry of the Contract Period or upon the Termination of this Agreement, in accordance with the provisions hereof.
- 17.13.9 make the payments set out in agreement including but not limited to the Annual Concession Fee and annual lease rentals to the Authority in accordance with the provisions contained herein, till the expiry or termination of this Agreement.
- 17.13.10 take all reasonable steps to protect the Site, other infrastructure of Authority & IOF and to limit the damages and nuisance to the people, IOF and the Site resulting from establishment of the FTO by the Lessee.
- 17.13.11 comply with all the Applicable Laws and Policies and the terms of the Approvals, in the performance of the Lessee's obligations under this Agreement including those being performed by any of the Sub-contractors.
- 17.13.12 develop, implement and administer a safety program, including correction of safety violations and deficiencies, and taking of all other actions necessary to provide a safe environment in accordance with Schedule 4- Safety Requirements, Applicable Laws and Policies and Good Industry Practice.
- 17.13.13 take all reasonable precautions for the prevention of accidents on or about the Site and provide all reasonable assistance and emergency medical aid to the victims
- 17.13.14 remove promptly from the Site, all waste materials (including, without limitation, hazardous materials and wastewater), rubbish and other debris (including without limitation accident debris), dispose-off all appropriately) and shall keep the Site in a neat and clean condition and in conformity with the Applicable Laws and Policies and Approvals
- 17.13.15 obtain and maintain in force on and from the Effective Date, all insurance in accordance with the provisions of this Agreement and Good Industry Practice; and
- 17.13.16 ensure that such Site remains free from all encroachments and take all steps necessary to remove encroachments, if any.
- 17.14** The Lessee shall, prior to commencement of construction at the Site:
 - 17.14.1 have requisite organization and designate and appoint a manager and such other managers, officers and representatives as it may deem appropriate to supervise the construction and to deal with the Authority Representative and be responsible for all necessary exchanges of information required pursuant to this Agreement; and
 - 17.14.2 undertake, do and perform such acts, deeds and things as may be necessary or required for construction at Site and operation of the FTO, including without limitation obtaining necessary Approvals, permits, registrations and consents, as may be required and such other things as may be required under and in accordance with this Agreement.

- 17.15** The Lessee shall submit such reports, statements and certifications to the Authority during the Contract Period as detailed in this Agreement. Such reports will contain such information as is reasonably required to keep the Authority properly informed of matters relating to operation and maintenance of the IOF.
- 17.16** The Lessee shall achieve completion of the construction of the IOF within the Construction Period.
- 17.17** The Lessee shall on expiry of the Contract Period or upon Termination, within a maximum period of 30 (thirty) days, transfer the IOF and the Site to the Authority at zero cost, in a clean, safe and serviceable condition to the satisfaction of the Authority. Provided that, if the Lessee fails to handover the IOF and the Site as aforesaid, the Authority may invoke the Performance Security to recover any losses, liabilities and/ costs incurred by the Authority on account of such delay in handing over the IOF and the Site.
- 17.18** The Lessee shall provide all assistance to the Authority Representative, independent auditor/ arbitrator as it may require for the performance of their obligations and services hereunder.
- 17.19** In the event of an accident, the Lessee shall, by most expeditious means, inform the Authority, police and other concerned authorities. The Lessee shall take expeditious action to provide medical aid, emergency services and relief to the accident victims and upon completion of legal formalities clear the accident site and remove the debris and wreckage.
- 17.20** The Lessee shall arrange at its own cost, foreign exchange and clearances required for import of technology, equipment or materials to be used for the purposes of this Agreement and pay all requisite duties and levies in this regard.
- 17.21** The Lessee shall ensure that a minimum of 2500 (Two Thousand Five Hundred) Flying Hours are completed in at least one Accounting Year of every 3 (three) consecutive Accounting Years throughout the subsistence of this Agreement. The Lessee shall submit a duly audited report of the same to the Authority as per the terms of this Agreement.

17.22 Obligations relating to other agreements.

- 17.22.1** It is expressly agreed that the Lessee shall, at all times, be responsible and liable for all its obligations under this Agreement notwithstanding anything contained in any other agreement entered into by it with a Third Party in connection with performance of its obligations or enjoyment of its rights hereunder, and no default under any other agreement shall excuse the Lessee from fulfilment of its obligations or liability hereunder.
- 17.22.2** Notwithstanding anything to the contrary contained in this Agreement, the Lessee shall not sub- lease or in any manner create any Encumbrance on the IOF and/or the Site.
- 17.22.3** The Lessee shall procure that each of the agreement executed by the Lessee in connection with the transactions contemplated hereunder, expressly contain provisions that entitle the Authority to step into such agreement in substitution of the Lessee in the event of Termination or Suspension (the "Covenant"). For the avoidance of doubt, it is expressly agreed that in the event the Authority does not exercise such rights of substitution, such agreements shall cease to be in force and effect on the Transfer Date without any liability whatsoever on the Authority and the Covenant shall expressly provide for such eventuality. The Lessee agrees to expressly include the Covenant in all such agreements and undertakes that it shall, in respect of each of the such agreements, procure and deliver to the Authority an acknowledgment and undertaking, in a form

acceptable to the Authority, from the counter party(s) of each of such agreements, whereunder such counter party(s) shall acknowledge and accept the Covenant and undertake to be bound by the same and not to seek any relief or remedy whatsoever from the Authority in the event of Termination or Suspension.

- 17.22.4 The Lessee shall at all times retain overall responsibility, obligation and liability in relation to maintenance of the IOF and the Site. It is clarified that the Lessee shall remain solely liable and responsible for any acts, omissions or defaults of any other Persons authorized by the Lessee in relation to this Agreement, the Sub-contractors and shall at all times indemnify and keep indemnified the Authority in respect thereof.
- 17.22.5 The Lessee shall neither erect any flag- staff, wireless poles or other such high structures nor shall it erect or display or any high-power electric light or any electric sky signs or any other mechanism lighted or otherwise for purpose of advertisements or signboards without the previous approval in writing of the Authority.

17.23 Employment of trained personnel

The Lessee shall ensure that the personnel engaged by it in the performance of its obligations under this Agreement are at all times properly trained for their respective functions.

18 Obligations of the Authority

- 18.1 The Authority shall, at its own cost and expense, undertake, comply with and perform all its obligations set out in this Agreement or arising hereunder.
- 18.2 The Authority agrees to provide support to the Lessee and undertakes to observe, comply with and perform, subject to and in accordance with the provisions of this Agreement and Applicable Laws and Policies, the following:
- 18.3 enable access to the Site, free from Encumbrances, in accordance with this Agreement.
- 18.4 permit peaceful occupation and use of the Site by the Lessee, under and in accordance with the provisions of this Agreement without any hindrance from the Authority or persons claiming through or under it;
- 18.5 execute and deliver (in the capacity of the owner of the Site), such requisite documents to the Lessee as may be necessary for obtaining the Approvals hereunder.
- 18.6 construct the link Taxiway leading to the Site suitable for Code 2B or equivalent (AUW 2500), type of aircrafts. However, the lessee shall bear the differential cost of augmentation for higher category of pavements, if required by the lessee.
- 18.7 observe and comply with its obligations set forth in this Agreement and the Applicable Laws and Policies.

18.8 Air Traffic Services

- 18.8.1 Authority shall examine the possibility of permitting self-operation of Air Traffic Services by the FTO, with due safeguards in terms of safety, security and accuracy of flight data recording. This shall, however, be subject to approval of DGCA.

- 18.8.2 In case the Authority decides to provide the Air Traffic Services including CNS/ATM and associated facilities, it shall endeavor to maximize the number of operational hours, however, watch hour shall be restricted to the following:
- 18.8.2.1 at Airports where night operation facility is not available, watch hour shall be provided from dawn to dusk;
- 18.8.2.2 at Airports where night operation facility is available, the watch hour shall be provided upto 2100 hours minimum
- 18.8.3 During watch hours (including extension thereof, if any), Air Traffic Services including CNS/ATM and associated facilities shall be provided by AAI. Beyond airport declared watch hours, the Lessee shall arrange its own Air Traffic Services including CNS/ATM and associated facilities, MET Services, Medical Services and Fire Services pertaining to the training flights and such services shall be in compliance with the applicable regulations / directions. Beyond airport declared watch hours, operations to continue as uncontrolled, subject to prior intimation to APD/ Airport In-charge, AAI with due compliance with the DGCA Guidelines.
- 18.8.4 The cost of manpower and requisite resources / infrastructure in respect of the above-mentioned services beyond watch Hours shall be borne by the Lessee.
- 18.8.5 It is further clarified that when two FTOs are operating, the above-mentioned services at Clause 18.8.3 shall be provided by one of the two FTOs ("Operating FTO") as mutually decided between the two parties. The FTOs shall inform the Authority regarding the arrangement made w.r.t.the operation of the above-mentioned services.
- 18.8.6 It is further clarified that in addition to the indemnities and liabilities covered in the Lease Agreement, any liability arising out of provision of the above-mentioned services in Clause 18.8.3 shall vest with the Operating FTO.
- 18.8.7 The control of Aeronautical Ground Lighting (AGL) facilities shall vest in the Authority. The Authority shall provide and maintain the AGL facilities. The Lessee shall be liable to pay AGL charges in terms of Clause 17.5 for the period beyond dawn to dusk.

19 Contract Period

The Contract Period shall mean a period of 20 (Twenty) years commencing from the Appointed Date and continuing to be in force till the Transfer Date and during which the Lessee is authorized to use the Site and the IOF in accordance with the provisions and subject to the conditions hereof ("Contract Period"). At the end of the Contract Period, all rights given under this Agreement shall cease to have effect and the Site and the IOF shall be transferred to the Authority at zero cost & without any liability to the Authority.

20 Liquidated Damages

- 20.1 The concessionaire shall deploy minimum 03 airworthy trainer aircraft within 3 months of commencement of FTO operations and scale up to the number of airworthy trainer aircrafts as required by the DGCA within 12 months of commencement of FTO operations with the complimentary staff required to operate training aircraft at their full capacity and shall continue to do so for the full period of contract failing which a penalty of 1% of the annual value of contract per week or part thereof will be levied as liquidated damage to a maximum of 6 weeks after which the contract will be liable to be terminated.
- 20.2 In case the concessionaire fails or is not able to pay the annual lease rentals and annual lumpsum Concession fee on or before the prescribed date of

payment, the delayed payment will have to be deposited with a penalty of 18 percent per month on the balance due. The default for 3 months after the due payment date will lead to the termination of contract and forfeiture of the performance security.

- 20.3 In event of physical or material damage (other than Force Majeure) by the concessionaire to the infrastructure being provided by KSIIDC, the repair cost will be borne completely by the concessionaire. Repair charges will be determined by KSIIDC based on the estimates of State Schedule of Rates (SoR) applicable at the time for damage to the civil works. Equipment charges will be as per the cost of acquisition from the same OEM for the damaged equipment. And all such expenses incurred by KSIIDC for alternative arrangements until the restoration of the damaged infrastructure shall be paid by the concessionaire at actual.

21 Termination Agreement:

- 21.1 The concession agreement can be cancelled by either party by giving a notice of 6 months.
- 21.2 If the department is to revoke the agreement prematurely without any default on concessionaire part, in that event, the department would pay to the party the cost of structures any raised by the party as assessed by KSIIDC. Besides, outstanding deposits of annual lease rent and Concession fee es held by the department would also be returned.
- 21.3 If the concessionaire seeks to terminate the concession prematurely without any default on KSIIDC part, he would forego the user charges for one calendar year. He would also forego the right to use any structure(s) he may have erected and would firstly offer the said structure(s) to KSIIDC, which, if it is decided to retain, would pay to the party the value of the structure(s) as assessed by KSIIDC. If that option is not exercised, the concessionaire shall remove the whole of the superstructure(s) at his own cost and leave the land unencumbered.
- 21.4 If felt by KSIIDC, that the terms and condition of the agreement are not being followed or any violation is taking place, then KSIIDC will have the right to terminate the contract agreement without notice and without any liability.

22 Dispute Settlement:

- 22.1 If there is any dispute, it shall be governed by, and construed in accordance with, the laws of India and the Courts at Bangalore shall have exclusive jurisdiction over all disputes arising under, pursuant to and/ or in connection with this agreement.

23 Force Majeure:

- 23.1 For the purpose of this Agreement, "Force Majeure" means an event which is beyond the reasonable control of concessionaire, and which makes concessionaire's performance of its obligations hereunder impossible or so impracticable as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the concessionaire invoking Force Majeure to prevent), confiscation by government agencies.
- 23.2 Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or such Party's Sub consultants or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected to both (A)take into account at the time of the conclusion of this

Agreement and (B) avoid or overcome in the carrying out of its obligations hereunder.

23.3 Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

24 Notices

24.1 Any notice given by one party to the other pursuant to this Contract shall be sent to the other party in writing or by cable, e-mail, or facsimile and confirmed in writing to the other party's address are as follows:

a. The concessionaire's addresses for notice purposes is:

Attention:
Designation:
Address:
Fax No:
Email:

b. Address for Karnataka State Industrial and Infrastructure Development Corporation Limited for notice purposes is:

Attention:
Designation:
Address:
Fax No:
Email:

24.2 The language for the notices will be "English".

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives on the date set forth above.

Signature

Signature

Name:

Name:

Designation:

Designation:

Date:

Date:

(For and on behalf of the Government of
Karnataka)

(For and behalf of the firm duly
authorized under the seal of the firm)

WITNESSES

Signature:

Signature:

Name:

Name:

Designation:

Designation:

Date:

Date:

Annex -1: Terms of Reference

(Reproduce as per Schedule-1 of RFP)

Annex-2: Specifications & Standards

General:

General Requirements for setting up the Flight Training Organization (FTO)

1.1 Facilities and Equipment

Training organization shall establish facility appropriate to the size and scope of the operation in compliance with the DGCA CAR. It shall provide physical environment conducive to the learning, which inter-alia shall include:

A. General:

- a. Adequate Office Space for operational and administrative staff
- b. Storage area including secure area for training and personnel records.

B. Classrooms and training aids:

- a. Adequate and well-equipped classrooms. The classrooms shall properly be lighted and furnished. The size of the rooms shall be appropriate to accommodate the batch of students. (at least 4ft x 4 ft per student)
- b. Radio telephony training and testing facility.
- c. Library with adequate number of textbooks/ e-books for ground subjects, regulations and flying techniques; DGCA circulars, CARs, AICs, Aircraft Manual; AIP and its supplement and route maps for training. Books catalogue, register or list of books to track the revisions and stock position.
- d. Training aids – computer, projector/suitable monitor, multimedia aids etc.

C. Practical training areas:

The mandatory training areas to be constructed for the FTO are as given below:

- a. Flight Operation room/ area
- b. Flight Planning room/ area
- c. Simulator training room
- d. Adequate briefing room
- e. Office facility for instructors
- f. Waiting room(s) for students
- g. Adequate telephone connection and internet connection shall be made available.
- h. Suitable and adequate hangar space for parking, mooring and maintenance of aircraft.
- i. The hangar shall be well lighted and suitable for aircraft maintenance.
- j. An alarm bell and manually operated siren in hangar/ operational area.
- k. Office space for the engineering and maintenance personnel
- l. Properly marked parking bays and taxi tracks

m. All the areas are to be monitored through surveillance cameras.

The above list is indicative and any other requirements as per the statutory guidelines shall be considered by the selected bidder while setting up the FTO.

Note: An approved FTO shall not make a substantial change in facilities, equipment or material that have been approved for a particular training programme, unless that change is approved in advance by the DGCA.

Annex-3: Approved Sub-Agency(s)

(Reproduce as per Form-11 of Appendix-I)

Annex-4: Permitted Use

The Lessee is authorized to use the Site & IOF for the following purposes:

1. For purposes of running of Flying Training Organization, simulator-based training, drone-based training or for any other purpose as approved in writing by the Authority, from time to time;
2. For purpose of conducting any activity which is required for operation of FTO as per DGCA.
3. For parking and maintaining its own aircrafts (including the aircrafts taken on lease by the Lessee for running the FTO).

For abundant clarity, it is stated that the Site shall not be used for providing any residential / Hostel accommodations to the students and faculty of the FTO whatsoever.

Annex-5: Bank Guarantee for Performance Security

To

The Managing Director

Karnataka State Industrial and Infrastructure Development Corporation Limited (KSIIDC)
Khanija Bhavan, 4th Floor, East Wing, No 49,
Racecourse Road, Bangalore – 560001
Tel.: 080 222 53740
Email: md@ksiidc.com

WHEREAS:

A. [●], (the “Authority”) have entered into an agreement dated [●] (the “Agreement”) whereby the Authority has agreed to the Lessee undertaking the construction, maintenance and operation of a FTO Facility, subject to and in accordance with the provisions of the Agreement.

B. The Agreement requires the Lessee to furnish a Performance Security to the Authority in a sum of INR [●] (Indian Rupees [●]) (the “Guarantee Amount”) as security for due and faithful performance of its obligations, under and in accordance with the Agreement, during the Contract Period (as defined in the Agreement).

C. We, [●] through our Branch at [●] (the “Bank”) have agreed to furnish this Bank Guarantee by way of Performance Security.

NOW, THEREFORE, the Bank hereby, unconditionally and irrevocably, guarantees and affirms as follows:

A. The Bank hereby unconditionally and irrevocably guarantees and undertakes to pay to the Authority upon occurrence of any failure or default in due and faithful performance of all or any of the Lessee’s obligations, under and in accordance with the provisions of the Agreement, on its mere first written demand, and without any demur, reservation, recourse, contest or protest, and without any reference to the Lessee, such sum or sums upto an aggregate sum of the Guarantee Amount as the Authority shall claim, without the Authority being required to prove or to show grounds or reasons for its demand and/or for the sum specified therein.

B. A letter from the Authority, under the hand of an Officer not below the rank of Airport Director or equivalent level in the Authority, that the Lessee has committed default in the due and faithful performance of all or any of its obligations under and in accordance with the Agreement shall be conclusive, final and binding on the Bank. The Bank further agrees that the Authority shall be the sole judge as to whether the Lessee is in default in due and faithful performance of its obligations during the Contract Period under the Agreement and its decision that the Lessee is in default shall be final, and binding on the Bank, notwithstanding any differences between the Authority and the Lessee, or any dispute between them pending before any court, tribunal, arbitrators or any other authority or body, or by the discharge of the Lessee for any reason whatsoever.

C. In order to give effect to this guarantee, the Authority shall be entitled to act as if the Bank were the principal debtor and any change in the constitution of the Lessee and/or the Bank, whether by their absorption with any other body or corporation or otherwise, shall not in any way or manner affect the liability or obligation of the Bank under this guarantee.

D. It shall not be necessary, and the Bank hereby waives any necessity, for the Authority to proceed against the Lessee before presenting to the Bank its demand under this guarantee.

E. The Authority shall have the liberty, without affecting in any manner the liability of the Bank under this guarantee, to vary at any time, the terms and conditions of the Agreement or to extend the time or period for the compliance with, fulfilment and/ or performance of all or any of the obligations of the Lessee contained in the Agreement or to postpone for any time, and from time to time, any of the rights and powers exercisable by the Authority against the Lessee, and either to enforce or forbear from enforcing any of the terms and conditions contained in the Agreement and/or the securities available to the Authority, and the Bank shall not be released from its liability and obligation under these presents by any exercise by the Authority of the liberty with reference to the matters aforesaid or by reason of time being given to the Lessee or any other forbearance, indulgence, act or omission on the part of the Authority or of any other matter or thing whatsoever which under any law relating to sureties and guarantors would but for this provision have the effect of releasing the Bank from its liability and obligation under this guarantee and the Bank hereby waives all of its rights under any such law.

F. This guarantee is in addition to and not in substitution of any other guarantee or security now or which may hereafter be held by the Authority in respect of or relating to the Agreement or for the fulfilment, compliance and/or performance of all or any of the obligations of the Lessee under the Agreement.

G. Notwithstanding anything contained hereinbefore, the liability of the Bank under this Guarantee is restricted to the guarantee Amount and this guarantee will remain in force for [•] days and unless a demand or claim in writing is made by the Authority on the Bank under this guarantee, no later than 6 (six) months from the date of expiry of this guarantee, all rights of the Authority under this guarantee shall be forfeited and the Bank shall be relieved from its liabilities hereunder.

H. The Bank undertakes not to revoke this guarantee during its currency, except with the previous express consent of the Authority in writing and declares and warrants that it has the power to issue this guarantee, and the undersigned has full powers to do so on behalf of the Bank.

I. Any notice by way of request, demand or otherwise hereunder may be sent by post addressed to the Bank at its above referred Branch, which shall be deemed to have been duly authorized to receive such notice and to effect payment thereof forthwith, and if sent by post it shall be deemed to have been given at the time when it ought to have been delivered in due course of post and in proving such notice, when given by post, it shall be sufficient to prove that the envelope containing the notice was posted and a certificate signed by an officer of the Authority that the envelope was so posted shall be conclusive.

J. This guarantee shall come into force with immediate effect and shall remain in force and effect for a period of [•] days as mentioned in the Agreement or until it is released earlier by the Authority pursuant to the provisions of the Agreement.

Signed and sealed this [•] day of [•], 20[•] at [•]

SIGNED, SEALED AND DELIVERED

For and on behalf of the BANK by: (Signature)

(Name) (Designation) (Code Number) (Address)

Annex-6: Format of Acknowledgement of Site

[on the letterhead of the Lessee]

Date:

To:

Reg: Handing over of Site _____ at Shivamogga Airport

Dear Sir,

We write in reference into the Lease Agreement dated ____, entered into by us with Authority. As per the requirements of the said Agreement, we acknowledge handover of Site by the Authority. We further acknowledge that the Site is unencumbered and is fit and immediately available for the purpose of construction of FTO at Shivamogga Airport thereon.

We have undertaken a due diligence over the Site, ourselves for the purposes of this Agreement.

We further acknowledge that we, or any entity claiming under us, shall have no recourse against the Authority if it is, at a later date, found that the Site is deficient in any manner whatsoever, and in the event of any mistake made or misapprehension harboured by us in relation to any of the foregoing provisions mentioned above(deficiency).If a deficiency is found, we acknowledge and agree that we shall, at our own cost, take all appropriate measures to remedy the same in order to fulfil our obligations under the Agreement.

It is clarified that all fossils, antiquities, structures and/or other remains or things either of archaeological or of particular geological interest discovered at Site or in the course of carrying out any work shall not be our property, and we shall have no right or interest in such fossils, antiquities and structures.

For and on behalf of

Signature of Authorized Representative Seal/Stamp

SCHEDULE-3: Guidance Note on Conflict of Interest

- 1 This Note further explains and illustrates the provisions of Clause 2.3 of the RFP and shall be read together therewith in dealing with specific cases.
2. Agency should be deemed to be in a conflict-of-interest situation if it can be reasonably concluded that their position in a business or their personal interest could improperly influence their judgment in the exercise of their duties. The process for selection of Agency should avoid both actual and perceived conflict of interest.
3. Conflict of interest may arise between the Authority and an Agency or between Agency. Some of the situations that would involve conflict of interest are identified below:

(a) Authority and Agency:

- i. Potential Agency should not be privy to information from the Authority which is not available to others.
- ii. Potential Agency should not have defined the project when earlier working for the Authority.
- iii. Potential Agency should not have recently worked for the Authority overseeing the project.

The participation of companies that may be involved as investors or consumers and officials of the Authority who have current or recent connections to the companies involved, therefore, needs to be avoided.

- 4 The normal way to identify conflicts of interest is through self-declaration by Agency. Where a conflict exists, which has not been declared, competing companies are likely to bring this to the notice of the Authority. All conflicts must be declared as and when the Agency becomes aware of them.
- 5 Another approach towards avoiding a conflict of interest is through the use of “**Chinese walls**” to avoid the flow of commercially sensitive information from one part of the Agency’s company to another. This could help overcome the problem of availability of limited numbers of experts for the project. However, in reality effective operation of “Chinese walls” may be a difficult proposition. As a general rule, larger companies will be more capable of adopting Chinese walls approach than smaller companies. Although, “Chinese walls” have been relatively common for many years, they are an increasingly discredited means of avoiding conflicts of interest and should be considered with caution. As a rule, “Chinese walls” should be considered as unacceptable and may be accepted only in exceptional cases upon full disclosure by an Agency coupled with provision of safes to the satisfaction of the Authority.
6. Another way to avoid conflicts of interest is through the appropriate grouping of tasks. For example, conflicts may arise if Agency drawing up the terms of reference or the proposed documentation are also eligible for the consequent assignment or project.
7. Another form of conflict of interest called “**scope-creep**” arises when Agency advocate either an unnecessary broadening of the terms of reference or make recommendations which are not in the best interests of the Authority, but which will generate further work for the Agency. Some forms of contractual arrangements are more likely to lead to scope-creep. For example, lump-sum contracts provide fewer incentives for this, while time and material contracts provide built in incentives for Agency to extend the length of their assignment.

8. Every project contains potential conflicts of interest. Agency should not only avoid any conflict of interest, but they should also report any present/ potential conflict of interest to the Authority at the earliest. Officials of the Authority in charge shall be responsible for identifying and resolving any conflicts of interest. It should be ensured that safes are in place to preserve fair and open competition and measures should be taken to eliminate any conflict of interest arising at any stage in the process.

SCHEDULE-4: Safety Requirements

1. Guiding principles:

- a. Safety Requirement aim at reduction in injuries, loss of life and damage to property resulting from accidents on or about the airport, irrespective of the person(s) at fault.
- b. For the safety of the users of the FTO including the staff of the Lessee, the Third-Party users and its contractors working on the Site.
- c. Safety Requirements apply to all phases of operation, management and development with emphasis on identification of factors associated with accidents, consideration of the same, and implementation of appropriate remedial measures.
- d. Safety Requirement include measures associated with safe movement, safety management, safely equipment, fire safety, enforcement and emergency response.

2. Obligations of the Lessee

The Lessee shall abide by the following in so far as they related to safety of the users of the FTO:

- a. Applicable Laws and Policies and Approvals
- b. Provisions of this Agreement
- c. Good Industry Practice

3. Safety measures during Contract Period

- a. The Lessee shall develop, implement and administer a surveillance and safety programme for users of the FTO.
- b. The Lessee shall keep a copy of every first information report (the “FIR”) recorded by Police with respect to any accident occurring in the FTO. In addition, the Lessee shall also collect data for all cases of accidents not recorded by the Police. The information so collected shall be summarized in the form prescribed by the Authority for this purpose. The Lessee shall also record the exact location of each accident and aforesaid data shall be submitted to Authority at the conclusion of every quarter.
- c. Once in every Accounting Year, a safety audit shall be carried out by the Authority Representative. The recommendations of the Authority Representative shall be processed, mutatis mutandis, and acted upon by the Lessee.

4. Costs and expenses

Costs and expenses incurred in connection with the Safety Requirements set forth herein, shall be borne by the Lessee.

5. In addition to the above relevant CARs/ Safety Circulars and other instructions issued by DGCA/BCAS/AAI/MoCA, from time to time, shall be complied to. The responsibility of compliance to above instructions lies with the Lessee.

Annexure- I (Schedule 4) Safety Guidelines

1. Safe Movement

In the design, operation, management and development of the FTO, particular care shall be taken to ensure safety of users of the FTO. This shall include facilities for safe and efficient evacuation in case of emergency. In particular, the FTO shall be designed and tested for safe movement.

2. System integrity

In the design of power supply, lighting, communication and security equipments, particular care shall be taken to minimize the likely incidence of failure.

3. Restoration of operation of the FTO

The FTO shall be designed in a manner that in the event a fault occurs, the operation of the FTO can be restored at the earliest.

4. Contingency and Safety management

- a. The Lessee shall procure and ensure that appropriate contingency arrangements are in place at the FTO to deal with the following events in accordance with the provisions of the relevant applicable guidelines laid down in standard codes, stated by concerned local/State/Central Government or the Authority.

I. aircraft accidents in and around the vicinity of the FTO

II. fires at the FTO

III. natural calamities and disasters; and

IV. any other emergency at the FTO.

- b. The Lessee shall procure and ensure that emergency alarm bells are installed and operated to link the FTO to all the emergency services located at the airport, including fire services, medical services and the Police.

- c. A safety statement shall be prepared by the Lessee once every quarter to bring out clearly the system of management of checks and maintenance tolerances and the compliance thereof. The statement shall also bring out the nature and extent of staff training and awareness in dealing with such checks and tolerances. Two copies of the statement shall be sent to the Authority Representative within 15 (fifteen) days of the close of every quarter.

5. Safety equipment

The following safety equipment shall be provided at the FTO:

- a. Fire extinguishers and fire alarms at appropriate locations at the FTO
- b. adequate number of stretchers and standard first aid boxes; and
- c. such other equipment as may be required in conformity with the relevant applicable guidelines laid down in standard codes, stated by concerned local/State/Central Government Department or the Authority and Good Industry Practice.

6. Emergency

A set of emergency procedures shall be formulated to deal with different emergency situations and the Lessee's staff shall be trained to respond appropriately during emergency through periodic simulated exercises.

7. Fire safety

- a. The Lessee shall conform to the Approvals, Applicable Laws and Policies.
- b. To prevent fire in and about the FTO, the Lessee shall use fire resistant materials in the construction thereof and shall avoid use of materials which are to some extent flammable, or which emit smoke and harmful gases when burning.
- c. All notices and signages shall be uniform and standardized.

8. User safety and information system:

The Lessee shall provide one way communication to the users at the FTO through a public announcement system. The user call points should be located at convenient locations to allow users to contact the airport staff in emergencies. The User information system shall comprise dynamic visual displays and loudspeakers.

APPENDICES

Appendix-I: Technical Proposal

Form-1: Letter of Proposal

(On Applicant's letter head)

(Date and Reference)

To,

The Managing Director

Karnataka State Industrial and Infrastructure Development Corporation Limited (KSIIDC)

Khanija Bhavan, 4th Floor, East Wing, No 49,

Racecourse Road, Bangalore – 560001

Tel.: 080 222 58131/32

Email: md@ksiidc.com

Sub: Selection of an Agency to Set up, Establish and Operate Flight Training Organization in Shivamogga, Airport in Karnataka on DBFOT basis.

Dear Sir,

2. With reference to your RFP Document dated during _____ 2025, We, having examined all relevant documents and understood their contents, hereby submit our Proposal for **an Agency to Set up, Establish and Operate Flight Training Organization in Shivamogga Airport in Karnataka on DBFOT basis**. The proposal is unconditional and unqualified.
3. We acknowledge that the Authority will be relying on the information provided in the Proposal and the documents accompanying the Proposal for selection of the Agency, and we certify that all information provided in the Proposal and in the Appendices is true and correct, nothing has been omitted which renders such information misleading; and all documents accompanying such Proposal are true copies of their respective originals.
4. This statement is made for the express purpose of appointment as the Agency for the aforesaid Project.
5. We shall make available to the Authority any additional information it may deem necessary or require for supplementing or authenticating the Proposal.
6. We acknowledge the right of the Authority to reject our application without assigning any reason or otherwise and hereby waive our right to challenge the same on any account whatsoever.
7. We certify that in the last three years, we or any of our Associates have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or judicial authority or a judicial pronouncement or arbitration award against the Applicant, nor been expelled from any project or contract by any public authority nor have had any contract terminated by any public authority for breach on our part.
8. We declare that:
 - (a) We have examined and have no reservations to the RFP Documents, including any Addendum issued by the Authority;

- (b) We do not have any conflict of interest in accordance with Clause 2.3 of the RFP Document;
 - (c) We have not directly or indirectly or through an agent engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as defined in Clause 4.3 of the RFP document, in respect of any tender or request for proposal issued by or any agreement entered into with the Authority or any other public sector enterprise or any government, Central or State; and
 - (d) We hereby certify that we have taken steps to ensure that in conformity with the provisions of Section 4 of the RFP, no person acting for us or on our behalf will engage in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice.
- 9. We understand that you may cancel the Selection Process at any time and that you are neither bound to accept any Proposal that you may receive nor to select the Agency, without incurring any liability to the Applicants in accordance with Clause 2.8 of the RFP document.
 - 10. We declare that we are not a member of any other Consortium applying for selection as an Agency.
 - 11. We certify that in regard to matters other than security and integrity of the country, we or any of our Associates have not been convicted by a Court of Law or indicted or adverse orders passed by a regulatory authority which would cast a doubt on our ability to undertake the FTO services or which relates to a grave offence that outrages the moral sense of the community.
 - 12. We further certify that regarding matters relating to security and integrity of the country, we have not been charge-sheeted by any Agency of the Government or convicted by a Court of Law for any offence committed by us or by any of our Associates.
 - 13. We further certify that no investigation by a regulatory authority is pending either against us or against our Associates or against our CEO or any of our Directors / Managers / employees.
 - 14. We hereby irrevocably waive any right or remedy which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by the Authority in connection with the selection of Agency or in connection with the Selection Process itself in respect of the above-mentioned Project.
 - 15. We agree and understand that the proposal is subject to the provisions of the RFP document. In no case, shall we have any claim or right of whatsoever nature if the FTO Services is not awarded to us or our proposal is not opened or rejected.
 - 16. We agree to keep this offer valid for 180 (one hundred and eighty) days from the PDD specified in the RFP.
 - 17. A Power of Attorney in favor of the authorized signatory to sign and submit this Proposal and documents is attached herewith in Form-4.
 - 18. In the event of our firm being selected as the Agency, we agree to enter into an Agreement in accordance with the form at Schedule-2 of the RFP. We agree not to seek any changes in the aforesaid form and agree to abide by the same.
 - 19. In the event of our firm being selected as the Agency, we agree and undertake to provide the FTO Services in accordance with the provisions of the RFP.
 - 20. We have studied RFP and all other documents carefully. We understand that except to the extent as expressly set forth in the Agreement, we shall have no claim, right or title arising out of any documents or information provided to us by the Authority or in respect

of any matter arising out of or concerning or relating to the Selection Process including the award of Contract.

21. The Financial Proposal is being submitted in a separate cover. This Technical Proposal read with the Financial Proposal shall constitute the Application which shall be binding on us.
22. The Concession Fee has been quoted by us after taking into consideration all the terms and conditions stated in the RFP, draft Lease Agreement, our own estimates of costs and revenues and after a careful assessment of the Site and all the conditions that may affect the costs involved and implementation of the transaction contemplated by the Bidding Documents.
23. We agree and undertake to abide by all the terms and conditions of the RFP Document.
24. We will procure all the necessary approvals required for establishment of FTO at the proposed Site(s) from all concerned authorities.

In witness thereof, we submit this Proposal under and in accordance with the terms of the RFP Document.

Yours faithfully,

(Signature, name and designation of the authorized signatory)

(Name and seal of the Applicant)

Form 2: Particulars of the Applicant

(On Applicant's letter head)

1.1	Name of the Agency:	
1.2	Title:	
1.3	State the following: Name of Firm : Legal status : Country of incorporation : Registered address : Year of Incorporation : Year of commencement of business : Principal place of business : Name, designation, address, and phone numbers of Authorized Signatory of the Applicant: Name : Designation : Company : Address : Phone No. : Fax No. : E-mail address :	
1.5	If the Applicant is Lead Member of a consortium, state the following for each of the other Member Firms:	
	(i) Name of Firm:	
	(ii) Legal Status and country of incorporation:	
	(iii) Registered address and principal place of business:	
1.6	For the Applicant, (in case of a consortium, for each Member), state the following information:	
	(i) In case of non-Indian Firm, does the Firm have business presence in India? If so, provide the office address (es) in India.	
	(ii) Has the Applicant or any of the Members in case of a consortium been penalized by any organization for poor	

	quality of work or breach of contract in the last five years?	
	(iii) Has the Applicant/ or any of its Associates ever failed to complete any work awarded to it by any public authority/entity in last five years?	
	(iv) Has the Applicant or any member of the consortium been blacklisted by any Government department/Public Sector Undertaking in the last five years?	
	(v) Has the Applicant or any of its Associates, in case of a consortium, suffered bankruptcy/insolvency in the last five years? Note: If answer to any of the questions at (ii) to (v) is yes, the Applicant is not eligible for this FTO assignment.	
1.7	Does the Applicant's firm/company (or any member of the consortium) combine functions as Agency?	
	If yes, does the Applicant (and other Member of the Applicant's consortium) agree to limit the Applicant's role only to that of an Agency/ adviser to the Authority and to disqualify themselves, their Associates/ affiliates, subsidiaries and/or parent organization subsequently from work on this Project in any other capacity?	
1.8	Does the Applicant intend to borrow or hire temporarily, personnel from for performance of the FTO Services?	
	If yes, does the Applicant agree that it will only be acceptable as Agency, if those sub-agencies disqualify themselves from subsequent execution of work on this Project (including tendering relating to any goods or services for any other part of the Project) other than that of the Agency?	
	If yes, have any undertakings been obtained (and annexed) from such sub-Agency c. that they agree to disqualify themselves from subsequent execution of work on this Project and they agree to limit their role to that of Agency for the Authority only?	
1.9	(Signature, name and designation of the authorized signatory) For and on behalf of	

Form 3: Statement of Legal Capacity

(To be forwarded on the letter head of the Applicant)

(Date and Reference)

To,

The Managing Director

Karnataka State Industrial and Infrastructure Development Corporation Limited (KSIIDC)
Khanija Bhavan, 4th Floor, East Wing, No 49,
Racecourse Road, Bangalore – 560001

Sub: Selection of an Agency to Set up, Establish and Operate Flight Training Organization in Shivamogga, Airport in Karnataka on DBFOT basis.

We hereby confirm that we, the Applicant (along with other members in case of consortium, constitution of which has been described in the Proposal*), satisfy the terms and conditions laid down in the RFP document.

We have agreed that (Insert individual's name) will act as our Authorized Representative/ will act as the Authorized Representative of the consortium on our behalf and has been duly authorized to submit our Proposal.

Further, the authorized signatory is vested with requisite powers to furnish such proposal and all other documents, information or communication and authenticate the same.

Yours faithfully,

(Signature, name and designation of the authorized signatory)

(Name and seal of the Applicant/ Lead Member)

**Please strike out whichever is not applicable*

Form 4: Power of Attorney

Know all men by these presents, We, (Name of Firm and address of the registered office) do hereby constitute, nominate, appoint, and authorize Mr. / Ms..... son/daughter/wife and presently residing at, who is presently employed with/ retained by us and holding the position of as our true and lawful attorney (hereinafter referred to as the "Authorized Representative") to do in our name and on our behalf, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of our Proposal for selection as the agency (Agency) for **"Selection of an Agency to Set up, Establish and Operate Flight Training Organization in Shivamogga Airport in Karnataka on DBFOT basis."** (the "Project") of Karnataka State Industrial & Infrastructure Development Corporation Limited (KSIIDC) (the "Authority") including but not limited to signing and submission of all applications, proposals and other documents and writings, participating in meetings/conferences and providing information/ responses to the Authority, representing us in all matters before the Authority, signing and execution of all contracts and undertakings consequent to acceptance of our proposal and generally dealing with the Authority in all matters in connection with or relating to or arising out of our Proposal for the said Project and/or upon award thereof to us till the entering into of the Agreement with the Authority.

AND we do hereby agree to ratify and confirm all acts, deeds and things lawfully done or caused to be done by our said Authorized Representative pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds, and things done by our said Authorized Representative in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us.

IN WITNESS WHEREOF WE,THE ABOVE-NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS DAY OF, 2025

For

(Signature, name, designation, and address)

Witnesses:

- 1.
- 2.

Notarized

Accepted

.....

(Signature, name, designation, and address of the Attorney)

Notes:

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.

The Power of Attorney should be executed on a non-judicial stamp paper of Rs. 100 (Rupees one hundred) and duly notarized by a notary public.

Wherever required, the Applicant should submit for verification the extract of the charter documents and other documents such as a resolution/power of attorney in favor of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Applicant.

For a Power of Attorney executed and issued overseas, the document will also have to be legalized by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Applicants from countries that have signed the Hague Legislation Convention, 1961 are not required to be legalized by the Indian Embassy if it carries a conforming Apostille certificate.

Form 5: Financial Capacity of Applicant

(Refer Clause 2.2.2 (B) of RFP)

S. No.	Financial Year	Annual Revenue (in Rs.)
1	2023-2024	
2	2022-2023	
3	2021-2022	
4	2020-2021	
5	2019-2020	

Certificate from the Statutory Auditor

This is to certify that (Name of the Applicant) has received the payment shown above against the respective years on account of professional fees.

(Signature, name and designation of the authorized signatory)

Date:

Name and seal of the audit firm:

^{\$}In case the Applicant does not have a statutory auditor, it shall provide the certificate from its chartered accountant that ordinarily audits the annual accounts of the Applicant.

Form 6: Details of Technical Capacity of the Bidder*(On Applicant's letter head)*

Category of Lessee#	Yes	No
Proprietary/ Partnership Firm		
Scheduled operator (SOP)		
Non-scheduled operator (NSOP)		
Flying Training Organizations (FTO)		
Private companies registered under the Companies Act 1956/ 2013,		
Central or State Government or their undertakings.		

Note:

- Attach the appropriate certificate from the concerned Authority.

Form 7: Structure and Organization of the Agency

(On Applicant's letter head)

Form 8: Abstract of Eligible Assignments of the Applicant

(Refer Clause 2.2.2(A) of RFP)

S. No.	Name of Eligible Assignment #	Name of Client	Contract Value ^{##} received by the Applicant. (in Rs Crore)
(1) *	(2)	(3)	(4)
1			
2			
3			
4			
5			
6			

Certificate from the Statutory Auditor[§]

This is to certify that the information contained in Column 4 above is correct as per the accounts of the Applicant and/ or the clients.

(Signature, name and designation of the authorized signatory)

Date:

Name and seal of the audit firm:

The Applicant should provide details of only those assignments that have been undertaken by it under its own name. Refer Clause 2.2.2(A) for the definition of Eligible Assignment.

Exchange rate should be taken as Rs. 75 per US \$ for conversion to Rupees.

£

* The names and chronology of Eligible Assignments included here should conform to the project-wise details submitted in Form-8 of Appendix-I.

§ In case the Applicant does not have a statutory auditor, it shall provide the certificate from its chartered accountant that ordinarily audits the annual accounts of the Applicant.

Form 9: Financial Capacity of the Bidder*(On Applicant's letter head)*

The Bidder shall provide a certificate from its statutory auditor in the format given below:

This is to certify that Net Worth of M/s _____ (Name of the Bidder) is _____, details as per the table below:

Sl. No	Description	Year 1 (Amount in Rupees)
1	Subscribed and paid-up equity	
2	Reserves	
3	Share allotment money already received	
4	Preference shares (including redeemable)	
5	Convertible debentures but excluding warrants	
6	<i>Sub Total ((1)+(2)+(3)+(4)+(5))</i>	
7	Revaluation reserves	
8	Miscellaneous expenditure not written off	
9	Accumulated losses	
10	Reserves not available for distribution to equity shareholders	
11	<i>Subtotal ((7)+(8)+(9)+(10))</i>	
12	Net Worth ((6) – (11))	

- Signature of the statutory auditor of the Bidder:
- Name of the Partner:
- Name of the statutory auditor firm/company:
- Registration number of the partner:
- Address of the statutory auditor:
- Phone number of the statutory auditor firm/company:
- Fax number of the statutory auditor firm/company:

Instructions:

1. The Bidder shall also provide the name and address of the Bankers to the Bidder.
2. The Bidder shall provide an auditor's certificate specifying the Net Worth of the Bidder, as the case may be, and also specifying the methodology adopted for calculating such Net Worth.

Form 10: Any other document

(On Applicant's letter head)

Form 11: Proposal for Sub-Agency(s)

(On Applicant's letter head)

1. Details of the Firm				
Firm's Name, Address and Telephone				
Name and Telephone No. of the Contact Person				
Fields of Expertise				
No. of Years in business in the above Fields				
2. Services that are proposed to be subcontracted:				
3. Person who will lead the Sub- Agency				
Name:				
Designation:				
Telephone No:				
Email:				
4. Details of Firm's previous experience				
Name of Work	Name, address, and telephone no. of Client	Total Value of Services Performed	Duration of Services	Date Completion of Services
1.				

(Signature and name of the authorized signatory)

Note:

1. The Proposal for Sub-Agency shall be accompanied by the details specified in Form 8 of Appendix –I.
2. Use separate form for each Sub-Agency.

Form 12: Proposal Security Declaration Form

(On Applicant's letter head)

I hereby submit a declaration that the Proposal submitted by the undersigned, on behalf of the Applicant, _____ (Name of the Applicant), shall not be withdrawn or modified during the period of validity or extended period of validity.

I, on behalf of the Applicant _____ (Name of the Applicant), also accept that in case the Proposal is withdrawn or modified during the period of its validity/extended validity period or if we fail to sign the Contract in the case the FTO service at Shivamogga airport is awarded to us or we fail to submit a Performance Security and additional Performance Security, if any, before the deadline fixed in the RFP document, then _____ (Name of the Applicant) will be debarred for participation in the Selection Process or Procurement by the Authority for a period of one year from the date of default.

Yours sincerely,

Authorized Signature:

Name and Title of Signatory:

Name of Applicant:

Address:

Form 13: Undertaking Regarding Debarment/Blacklisting

(Note: Below undertaking is to be given on company's letter head)

I/We (name and post of authorized signatory) on behalf of (Name of firm)
do here by solemnly affirm and declare as follows:

- a. Our firm is not restrained/ debarred/ blacklisted by AAI or Central /State Govt. Depts./PSUs/World Bank/ ADB etc. and the debarment is not in force as on last date of submission of proposal.
- b. None of Proprietor /Partners /Board Members /Directors of M/s (Name of firm) has remained Proprietor /Partner /Board Member /Director in any firm which stands debarred /blacklisted by AAI or Central /State Govt. Depts./PSUs/World Bank/ ADB etc. and the debarment is not in force as on last date of submission of proposal.
- c. Our firm understands that at any stage, if above statements are found to be false, our firm shall be liable for debarment from bidding in AAI, apart from any other appropriate contractual legal action including debarment/ blacklisting/termination of the contract etc. as deemed fit.

[Signature and name of the authorized signatory of the firm]

Date:

Place:

Form 14: Checklist for documents to be submitted for Technical Bid

(Various documents the bidder needs to upload in the E-procurement portal and mention whether the documents sought in the below form are uploaded in the e-procurement portal)

Sl. No	Documents to be uploaded in the e- procurement portal	Details of the documents	Remarks (Submitted/ Not Submitted)
a.	Proof of PAN (Copy of PAN card). (If Applicable)	Write PAN No.....	
b.	Proof for GST Registration (Copy of GST Registration) (If Applicable)	Write GST No.	
c.	Duly signed & stamped RFP Document	Upload the entire RFP document duly signed by the authorized signatory in all the pages, in the E-procurement portal	
d.	Letter of proposal - Form 1 of Appendix I	Upload the documents in the E-procurement portal (duly signed by the authorized signatory in all the pages)	
e.	Particulars of the Applicant - Form 2 of Appendix I	Upload the documents in the E-procurement portal (duly signed by the authorized signatory in all the pages)	
f.	Statement of Legal Capacity – Form 3 of Appendix I	Upload the documents in the E-procurement portal (duly signed by the authorized signatory in all the pages)	
g.	Power of Attorney – Form 4 of Appendix I	Upload the documents in the E-procurement portal (duly signed by the authorized signatory in all the pages)	
h.	Financial Capacity of the Applicant – Form 5 of Appendix I	Upload the documents in the E-procurement portal (duly signed by the authorized signatory in all the pages)	
i.	Details of Technical Capacity of the Bidder – Form 6 of Appendix I	Upload the documents in the E-procurement portal (duly signed by the authorized signatory in all the pages)	
j.	Structure and Organization of the Agency - Form 7 of Appendix I	Upload the documents in the E-procurement portal (duly signed by the authorized signatory in all the pages)	
k.	Abstract of Eligible Assignments of the Applicant – Form 8 of Appendix I	Upload the documents in the E-procurement portal (duly signed by the authorized signatory in all	

l.	Financial Capacity of the Bidder– Form 9 of Appendix I	Upload the documents in the E-procurement portal (duly signed by the authorized signatory in all	
m	Any Other Document – Form 10 of Appendix I	Upload the documents in the E-procurement portal (duly signed by the authorized signatory in all	
n	Proposal for Sub-Agency(s)– Form 11 of Appendix I	Upload the documents in the E-procurement portal (duly signed by the authorized signatory in all	
o	Proposal Security Declaration Form – Form 12 of Appendix I	Upload the documents in the E-procurement portal (duly signed by the authorized signatory in all	
p	Undertaking Regarding Debarment/Blacklisting – Form 13 of Appendix I	Upload the documents in the E-procurement portal (duly signed by the authorized signatory in all	
q	Checklist for documents to be submitted for Technical Bid – Form 14 of Appendix I	Upload the documents in the E-procurement portal (duly signed by the authorized signatory in all	

Signature of Bidder :

Name :

Name of Agency :

Office Stamp

Appendix-II: Financial Proposal

Form-1: Financial Proposal

(On Applicant's letter head)

(Centre of E-governance has disabled submission of documents pertaining to Financial Proposal in e-procurement portal. Bidders are requested to enter the Financial Proposal in the respective cell provided in the e-procurement portal. Breakup of cost also should be entered in e-portal. This format of Financial Proposal is only for reference)

Note: Amount should be quoted in e-procurement website. The break-up details of Financial Proposal in sealed covers should be submitted on Financial Bid opening Date upon the request of KSIIDC.

(Date and Reference)

To,

The Managing Director

Karnataka State Industrial and Infrastructure Development Corporation Limited (KSIIDC)
Khanija Bhavan, 4th Floor, East Wing, No 49,
Racecourse Road, Bangalore – 560001

Sub: Selection of an Agency to Set up, Establish and Operate Flight Training Organization in Shivamogga, Airport in Karnataka on DBFOT basis.

We the undersigned, offer to provide the FTO services in Shivamogga Airport in Karnataka in accordance with your Request of Proposal dated _____ 2025, and our Proposal (Technical and Financial Proposal). Our attached financial proposal, **including GST & all applicable taxes is Rs. ----- (Rupees ----- only)** for above mentioned location.

We agree that this offer shall remain valid for a period of **180 (One Hundred Eighty) days** from the Proposal Due Date or such further period as may be mutually agreed upon.

We understand that you are not bound to accept any proposal you receive.

Yours faithfully,

(Signature, name and designation of the authorized signatory)

Note: The Financial Proposal is to be submitted strictly as per forms given in the RFP.

Form-2: Break-up of Financial Proposal

(On Applicant's letter head)

Sl. No	Location & Name of the Airport	Minimum Hours per Annum	Unit	Minimum fixed amount (Base Price) per Annum INR (Rs. 800)	Basic Rate per Sq. mtrs per Annum in Rs.	Total Amount in Figures in Rs. Per Annum (Annual Concession Premium) (C X E)	Total Amount in words Rs. Per Annum (Annual Concession Premium)
A	B	C	D	E	F	G	H
1	Shivamogga	2500	Per flying hour	Rs. ____			
2	Total						
3	GST 18%						
4	Grand Total (Including all applicable taxes & GST)						

Note:

1. Breakup of costs furnished in the above Form-2 of Appendix –II is only to facilitate assessment of costs and for negotiations, if necessary. For evaluation of financial proposals, the amount or financial quote entered in e-procurement portal shall only be considered.

2. As there is no provision to upload document pertaining to financial proposal in e-procurement portal, Bidders are requested to indicate the break-up of Financial Proposal as per this format. Filled in format shall be submitted by the technically qualified Agency in a sealed cover before opening of financial proposals. The Authority will inform the Agency about submitting the Form-2. Filled in format should not be uploaded as part of technical proposal.

3. Minimum Bid Amount should not be less than Rs. 800/- per hour

4. Agency should submit the financial proposal **including GST and all other applicable taxes & charges.**

We further agree that the Price Bid will be rejected, if any of the above rates and percentage are not in compliance with the respective statutory laws.

Yours faithfully,

(Signature, name, and designation of the authorized signatory)