

Request for Proposal (RFP) for Selection of Airline Operator for Providing Connectivity between Sabarmati Riverfront & Statue of Unity through Seaplane Services

Corrigendum 3: Response to Pre-Bid Queries

Gujarat State Aviation Infrastructure Company Limited

Project Name: Request for Proposal (RFP) for Selection of Airline Operator for Providing Connectivity between Sabarmati Riverfront & Statue of Unity through Seaplane Services

1. Response / Clarifications/ Remarks to the Queries raised by the prospective Bidders

Sl. No.	Queries	Response / Clarifications / Remarks
1.	<p>Beginning of Service within 6 Months</p> <p>We are glad that, authority has granted time limit of 6 months from the date of agreement to begin the commercial operation. However, as conveyed earlier through our pre-bid query as well, we once again wish to convey that, we have recently inducted one aircraft which is custom cleared on 5th April 2023 and undergoing various approvals, maintenance, modification as required by DGCA etc. and despite of dedicated team efforts, we are not able to begin the operation till date and it is expected to take atleast 4 months from the date we imported the aircraft in Indian Territory.</p> <p>Still, We have once again actively begin the search of the aircraft in global market and process of induction of Amphibious or Seaplane as it is new Category and not inducted by anyone in India earlier and after meeting with various authority and industry experts, we have come to conclusion that, Amphibious or Seaplane is going to be inducted first time in India and there is provision in various CAR of DGCA which puts burden on the operator to endorse the higher Authority of the DGCA on the said new category of aircraft first which itself will take 3 to 4 months due to shortage of the authority persons, then only they will allow the permission to import and induction process.</p>	<p>Beginning of service after LoA shall within 06 months, with a maximum extension of 3 months solely in the event out-of-control factors.</p> <p>As per tender clause 5.8.1. Revised in Corrigendum 1. However, the Operator has to adhere deployment plan and submit progress and action reports.</p>

Corrigendum 3: Response to Pre-Bid Queries

Request for Proposal (RFP) for Selection of Airline Operator for Providing Connectivity between Sabarmati Riverfront & Statue of Unity through Seaplane Services

Sl. No.	Queries	Response / Clarifications / Remarks
	<p>Furthermore, after our recent research over the global market, we understand that, well maintained or good condition amphibious or seaplane are rarely available and, will take longer than usual to get the best aircraft from the global market which can give long lasting uninterrupted service. We have also planned to buy the new aircraft but it has waiting period of more than 18 months hence we are looking forward for used aircraft but still it will take more time as we also need to consider safety, security and maintenance aspects to provide continuous long lasting service during whole tender period.</p> <p>Normal aircraft which is earlier imported by any operator in India takes atleast 3 to 4 months during induction process once aircraft is imported in India hence being new category of aircraft it will take very long time due to multiple authority approvals and different guidelines of all the authorities, we once again insist the authority to give atleast 6 months' time after Importing the aircraft into Indian territory which means total 10-12 months from the date of agreement 'considering practical difficulties otherwise it will end up with non-beginning of the service within time limit of 6 month and will create negative image among the citizens at large.</p>	
2.	<p>Experience of 500 Hours for PILOT As stated in the corrigendum, we may appoint or submit declaration towards appointment of proposed pilot having 500 hours of experience in case the LOA is issued to us. By this clause, we understand that, authority hereby wish to convey that, pilot means only Commander (P1) should have 500 hours of experience whereas Co-Pilot First officer(P2) does not required to have any such experience if he is qualified as per DGCA norms to fly as co-pilot on such aircraft because the aircraft will be operated by minimum 2 pilots hence the clarification will make it amply clear</p>	<p>As per tender clause 5.8.1.a) iv) Revised in Corrigendum 1. Pilots (1 no.)- trained in flying a Seaplane OR Amphibian Plane with a minimum of 500 hrs of flying experience. Co-pilot (01 no.)- trained in flying Seaplane OR Amphibian Plane with a flying experience as per DGCA requirements.</p>

Corrigendum 3: Response to Pre-Bid Queries

Request for Proposal (RFP) for Selection of Airline Operator for Providing Connectivity between Sabarmati Riverfront & Statue of Unity through Seaplane Services

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3.	<p>Submission of Cof A, Cof R and other documents of the proposed aircraft As stated in the corrigendum, we may submit documents of purchase or lease agreement or declaration to induct the aircraft within time limit if we do not have aircraft available on bid due date. We have actively begin the search of the aircraft compatible to be operated as per the tender documents but shortlisting the aircraft during such short span of time is beyond possible due to shortage of aircraft and our preference of inducting safer and long lasting aircraft to provide continuous service. Furthermore, even if we submit the documents, then acceptance in DGCA shall not be available as any such aircraft is not inducted earlier in India and DGCA issues acceptance only after multiple process as explained in above clause so altogether, submitting the papers of foreign registered aircraft is not going to solve the ultimate purpose that same aircraft will be imported or not because authority has also given provision to change the aircraft incase of any adverse circumstances. Hence, considering the practical scenario and difficulties, we request you to kindly remove the requirement of submission of documents of the aircraft if bidder is giving declaration only.</p>	<p>As per tender clause 5.8.1. Revised in Corrigendum 1. Operator can submit declaration of the proposed aircraft along with supporting documents.</p>
4.	<p>Duplication of Pilot and Aircraft by other bidder It is stated in the corrigendum that, bidder may submit declaration towards inducting aircraft as well as employing pilot if the LOA is issued and agreement is entered with the bidder. However, it is mentioned that, there should not be duplication of pilot or aircraft among any of the bidder. We wish to bring to your kind consideration that, first of all such kind of aircrafts and pilots are in very shortage at global market and moreover, whoever is interested in selling the aircraft offers their aircraft to all the proposed buyer and close the deal with the one who comes first and pays</p>	<p>As per tender clause 5.8.1 Revised in Corrigendum 1. Operator can submit declaration of the proposed pilot. (Duplication of Pilot NOTE mentioned as per Corrigendum 1 Query no.6 Page 3 can be omitted)</p>

Corrigendum 3: Response to Pre-Bid Queries

Request for Proposal (RFP) for Selection of Airline Operator for Providing Connectivity between Sabarmati Riverfront & Statue of Unity through Seaplane Services

Sl. No.	Queries	Response / Clarifications / Remarks
	<p>them first, Any buyer cannot restrict the seller to offer the aircraft only to them and keep awaiting for the buyer for long time as seller always prefers more offer to earn more on their aircraft.</p> <p>The similar situation is also ongoing with Pilots in global market, and pilot cannot be restricted to join any other organization until prospective employer begins his actual employment and financial perquisites. Any person cannot be restricted solely by issuance of offer letter and anyways he is not going to accept such offer because their high demand and shortage of supply</p> <p>It should be understood that, anyone who will enter into agreement authority will immediately begin the induction and employment process and naturally, the seller will accept their offer and pilot will also begin the employment with them even if they have offered to another organization. Hence, bidder cannot assure that, there will be no duplication of the aircraft declaration or pilot employment because bidder cannot get any such declaration from seller or pilot. So, this clause shall be removed and duplication shall not impact the bid.</p>	
5.	<p>Change of Route by Authority in future</p> <p>As per the clarification given in Corrigendum, we understand that, authority may ask for change of the operational route anytime during the tender period and we are bound to accept the alternative route else the agreement will be terminated and we will not even get the Lease rent or Notional Lease Rent. We wish to convey that; this provision is not acceptable as all the bidders are planning the service due to Dream project of our Prime Minister Sir to provide global attraction for Statue of Unity. If the authority asks us to change the route and we are duly bound to accept it, then it will not justify the whole purpose of the tender at all due to which all the bidders are participating hence authority shall not discontinue the route during agreement period.</p>	<p>No change</p> <p>(As per Corrigendum 1 Query no.13 page 5)</p> <p>In an event, the Operator declines to operate in such an alternate sector, the Authority shall be at the liberty to terminate the Agreement hence releasing the Authority from the obligation of paying the Monthly 'Aircraft Leasing Cost,' as per the provisions of Clause 6.6.1.</p>

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Request for Proposal (RFP) for Selection of Airline Operator for Providing Connectivity between Sabarmati Riverfront & Statue of Unity through Seaplane Services

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	However, as stated earlier, authority may make additional route operation at the same cost per minute and allot the route to the operator and operator may or may not accept the same based on their operational planning.	
6.	<p>Leverage from Minimum flight operation We have reviewed the corrigendum but the clarification is not yet clear towards leverage from Minimum number of flight operation if there is no passenger booked in any sector of the round trip. Authority has asked to operate minimum 70 and Maximum 100 trips but it is not clarified that, whether the non-passenger booked days will be given leverage or not and if the leverage is not available, then authority shall pay VGF irrespective whether there is any passenger booked or not because operator cannot be forced to fulfill 70 trips without VGF.</p>	<p>In lean period minimum 50 trips and maximum 100 trips to avail VGF. Leaner month to be decided by operator in advance and cannot be more than four months per year.</p>
7.	<p>Request for clarification of Minimum trips Authority has asked to operate minimum 70 trips and maximum 100 trips in the corrigendum. We understand that, authority wish to convey 70 trips means 35 Round trips and 100 trips means 50 Round trips. Please clarify on this understanding as otherwise it will create very huge ambiguity in future because it is not possible to make 70 round trips even if we operate daily 2 round trips for whole 30 days of the month.</p>	<p>No change Minimum 70 trips and maximum 100 trips to avail VGF. 70 trips =35 round trips 100 trips= 50 round trips (per day 02 round trips = 04 flights)</p>
8.	<p>Time period for replacement of aircraft due to any event Authority has given only 1-month time to replace the aircraft due to any unfortunate event. However, we should understand and accept that, any aircraft of similar category is not available in India and inducting replacement aircraft needs to undergo the very same process as importing the aircraft except to undergo type rating of the authority hence any one cannot replace the aircraft in just 1 month.</p>	<p>No change Operator can have prior tie up/lease agreement with another seaplane operator for aircraft for any such event.</p>

Corrigendum 3: Response to Pre-Bid Queries

Request for Proposal (RFP) for Selection of Airline Operator for Providing Connectivity between Sabarmati Riverfront & Statue of Unity through Seaplane Services

Sl. No.	Queries	Response / Clarifications / Remarks
	<p>It would have been justified to give 1 month time. similar category of aircraft is available in India but as the similar aircraft is not available, operator cannot induct the aircraft and begin the operation in just 1 month irrespective of all the efforts, financial loss or any kind of moral pressure.</p>	
<p>9.</p>	<p>Provision of Cost Inflation It is clarified that, considering the inflation factor, ticket prices capped limit may be increased every year as per the corrigendum. However, we have not found any clarification over the inflation in VGF because all the cost will increase every year more than inflation rate hence in line with UDAN scheme therein inflation is given every month, inflation at the prevailing rate issued by Government shall be included in VGF every month.</p>	<p>No change</p>
<p>10.</p>	<p>Deployment of the upgraded Aircraft in replacement or otherwise Authority has stated that, they will stick to same VGF even if the operator deploys the aircraft with more passenger capacity or upgraded features and performance. We request that, per seat VGF being given to the operator shall be pro-rata increased the seating capacity of the aircraft is increasing after the replacement of aircraft because operator is not doing this activity to enhance the VGF but it may happen that, operator does not have any option except to induct higher capacity aircraft with more financial cost involvement as global market for amphibious or seaplane have very much shortage of the aircrafts. If bidder is upgrading the aircraft with higher capacity then pro-rata increase in VGF should also be considered and VGF shall not be restricted to the original VGF.</p>	<p>No change As already mentioned in clause 6.1 (o) In case a larger aircraft is being provided as a replacement aircraft, the VGF shall be paid on the basis of the seats of the Aircraft being originally provided.</p>
<p>11.</p>	<p>Request for clarification towards submission of financial bid with breakup</p>	<p>No change</p>

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	<p>It is stated in corrigendum that, Page No.56 (Format for Financial Bid) shall be filled up and page 58 is not required to submit but both the formats are ultimately similar in one or the other way. So, we understand that, we need to submit the details of all the expense (as estimated) because it is not possible to provide any supporting due to first time experience of such kind of project. We seek your kind confirmation on this Please.</p>	<p>Tender Page no. 56 Format for financial bid may be submitted</p>
<p>12.</p>	<p>Passenger Baggage of 15 Kgs It is stated in corrigendum that; operator shall allow minimum 15 kg of baggage per passenger free of cost. However, as the amphibious or seaplane have heavy weight float to operate from water bodies. It has very limited weight carrying capacity. If we consider, 15 kg of each passenger, it will end up with 135kgs of only baggage which will not make operation possible with 9 passenger and fuel onboard as per the maximum take-off weight limit criteria. Moreover, in this kind of operation, generally hand baggage will be possible to be allowed hence operator shall be free to allow the baggage as per the operational guidelines to make the operation possible else operator cannot fly the aircraft due to the limitations of the operational CAR and manufacturer guidelines.</p>	<p>(As per Corrigendum 1 Point no.49 Page 15 can be omitted) The Operator shall be required to provide a luggage allowance of up to 10 kg (free of charge)per passenger per ticket, or as per DGCA norms, whichever is higher.</p>
<p>13.</p>	<p>Extension of Bid Due Date As there are multiple points which may end up with making tie-up and consortium with some foreign airline to comply with all the requirements and it is very difficult to make tie-up in such a short span of time. Furthermore, we also need to search the aircraft availability as well as pilot availability from global market and to make detailed analysis of the costing considering the current scenario and future projection of next 3 to 4 years.</p>	<p>Bid due Online submission date has been extended to 12 July 2023. Bidders are requested to visit the n-procure site for appraising themselves of any extension and / or corrigendum.</p>

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Request for Proposal (RFP) for Selection of Airline Operator for Providing Connectivity between Sabarmati Riverfront & Statue of Unity through Seaplane Services

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	Hence, we request your goodself to kindly provide extension of atleast 1 month in the bid submission due date so that everyone can participate at large and make the bid more competitive.	
14.	<p>1. Bid Summary and Data Sheet:</p> <p>2.9 Method of Selection –</p> <p>i. The evaluation of Bids shall be on the principle of Least Cost-Based Selection (LCBS) for Technically Qualified Bidder.</p> <p>a. In our opinion selecting the bidder based on LCBS would be counterproductive. As already witnessed from the previous bidding rounds, a much more robust selection criteria should be employed which will also consider the ability of the bidder to launch the seaplane operations and sustain them safely for the entire duration.</p> <p>ii. A Bidder would be required to quote the Viability Gap Funding (VGF) as per the format of the Financial Bid.</p> <p>a. In our Opinion, the bid for the seaplane operator should be simply based on a price quoted per Flying Hour and other technical criteria. We have provided more comments on this below.</p> <p>iii. The selection of the Bidder shall be on the basis of Least VGF sought on a per seat per trip basis, for undertaking Seaplane Operations in the identified sector.</p> <p>a. Seaplane operations are directly dependent on flying hours like any other airline operations. Since, this is a very small operation with considerable overheads and any unforeseen changes in the route due to bad weather, or any airspace restrictions can cause a significant increase in the flying hours. Hence for the bid to be favorable to the bidder, it should be based on the Flying hours and not the trips.</p>	No change

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Request for Proposal (RFP) for Selection of Airline Operator for Providing Connectivity between Sabarmati Riverfront & Statue of Unity through Seaplane Services

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	<p>b. However, GUJSAIL can introduce a cap on the maximum flying hours similar to a cap on the maximum trips that will be covered under the VGF model.</p>	
15.	<p>2. Modified Pre-qualification criteria:</p> <p>Stage 2 – Pre-qualification Criteria–</p> <p>i. Even in the modified Pre-Qualification criteria, there are no provisions for foreign operators to be Sole Bidders.</p> <p>ii. And even in the case of Bidder being a Consortium, an additional criterion of “an experience of providing seaplane operations, for Government Client” has been included. As per our knowledge of the seaplane industry, there is no operator providing seaplane operations for Government Clients. Also, in our opinion, an operator providing seaplane services to a government client should not have any indication of their ability to run the seaplane operations in India.</p>	<p>Clause 5.8.1, Pre-qualification Criteria is being modified as below: (a) Stage 2: Pre-qualification Criteria</p> <p>Clause amended (Corrigendum 2) i (i) The Bidder, in case bidder being a Sole Bidder, should have a legally valid Scheduled / Non-Scheduled Operator’s Permit (NSOP/NOC) from the Ministry of Civil Aviation, Government of India (MoCA), OR should have an Equivalent Operator’s Permit from the National Aviation Government Authority (Equivalent) from a Foreign Country, with an experience of providing seaplane operations as on the Bid Due Date.</p> <p>Clause deleted (Corrigendum 2) “for Government Client, for at least one year in the last three years, as on the Bid Due Date”</p>
16.	<p>3. Scope of Work:</p> <p>i. Days of Operation – 6.1.c. – It is further clarified that the Operator must undertake a minimum of 25 days of operation considering the maintenance and other factors.</p> <p>a. This should be changed to link with the number of working days of SOU in the month. During months like February and unforeseen events of SOU being in operational for any reason, the bidder should not suffer.</p>	<p>i)Already mentioned in tender clause 6.1(c) The Operator can exercise flexibility of maintenance. The maintenance days can be clubbed for 05 - 06 days in a month instead of 1 day in a week. It is further clarified that the Operator must undertake a minimum of 25 days of operation considering the maintenance and other factors.</p>

Corrigendum 3: Response to Pre-Bid Queries

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	<p>ii. Sale of Tickets – 6.1.f - Operator shall be required to manage the entire airline role, including but not limited to the sale of tickets on their e-platform</p> <p>a. Currently within India, there is no operator experienced or even familiar with Seaplane Operations. Hence it is most likely that for a successful seaplane operation establishment, there is a requirement for foreign operators.</p> <p>b. And for any foreign seaplane operator, to enter India for such a small Seaplane Operation is a challenge, and hence to ease the burden on foreign operators the “Sales & Marketing” aspect of the bid should be separated.</p> <p>c. There are many Destination marketing operators who are well versed in Indian Tourism who bid and liaise with the Government on how to market and sell the tickets.</p> <p>d. These operators need not share any revenue with the Seaplane operator and can provide GUJSAIL with the same 750+GST commission as written in the Bid and keep the profits for themselves.</p> <p>e. Thus, the foreign seaplane operators can solely focus on running the seaplane operations and ensuring slightly reduced manpower and resource requirements from their end.</p> <p>iii. Minimum Passengers – 6.1.i – VGF should be given for the flight only if there is at least one fare-paying passenger in any round trip. In</p> <p>a. Since we are asking to separate the Sales & Marketing from Seaplane Operations, this should be removed as it is not fair to penalize Seaplane operators for this.</p> <p>iv. Sales & Marketing – 6.1.l - Operator shall prepare a web-based ticket booking portal for providing online ticket booking services. All the ticket bookings shall be done through a secure payment gateway permitting the use of credit/debit cards and all other customarily used payment methods and</p>	<p>(a) This is popular route destination in Gujarat. In lean period minimum 50 trips and maximum 100 trips to avail VGF. Leaner month to be decided by operator and cannot be more than 04 months per year.</p> <p>(ii) Some operations related task can be outsourced OR GUJSAIL may arrange on chargeable basis accordingly same to be mentioned while bid submission.</p> <p>(a) Some operations related task can be outsourced OR GUJSAIL may arrange on chargeable basis</p> <p>(b) Some operations related task can be outsourced OR GUJSAIL may arrange on chargeable basis</p> <p>(c) This is popular route. Around million tourists had visited site.</p> <p>(d) No change</p> <p>(e) No change</p> <p>(iii) No constraint on minimum number of passengers.</p> <p>(a) Some operations related task can be outsourced OR GUJSAIL may arrange on chargeable basis accordingly same to be mentioned while bid submission.</p> <p>(iv) Some operations related task can be outsourced OR GUJSAIL may arrange on</p>

Corrigendum 3: Response to Pre-Bid Queries

Request for Proposal (RFP) for Selection of Airline Operator for Providing Connectivity between Sabarmati Riverfront & Statue of Unity through Seaplane Services

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	<p>gateways. Government will provide support to promote the service across media platforms, digital platforms of the Government from time to time.</p> <p>a. This and any other Sales & Marketing points should be shifted to the Sales & Marketing bid.</p> <p>v. Infrastructure – 6.1.r - All the existing facilities available at water aerodromes will be provided free of cost to the Preferred Bidder. Any new development required by Operator at the water aerodrome terminal would be created by the Operator only, at their cost, after prior written permission of the same from Authority.</p> <p>a. The bidders should have the option to inspect and provide a list of necessary missing infrastructure with justifications to run the Seaplane Operations and the terminal. And GUJSAIL shall provide for the same.</p> <p>b. Regular Maintenance and upkeep of the terminal can be upon the operator, however, in case of any considerable infrastructure changes are required. GUJSAIL shall provide for the same.</p>	<p>chargeable basis accordingly same to be mentioned while bid submission.</p> <p>a) Some operations related task can be outsourced OR GUJSAIL may arrange on chargeable basis accordingly same to be mentioned while bid submission.</p> <p>(v)Both destination Water Aerodrome is already available.</p> <p>(a) GUJSAIL will be provide after proper justification by operator and approval.</p> <p>(b) GUJSAIL will be provide after proper justification by operator and approval.</p>
17.	<p>4. Payment Terms:</p> <p>i. Fuel Price Fluctuations – 6.2.1 – No additional payment will be made to the Preferred bidder in the event that the rate of ATF increases.</p> <p>a. This is not fair for the operator as in Seaplane operations fuel price is the largest single cost and in such a small operation the operator can end up making a loss.</p> <p>b. Our suggestion would be to introduce a mechanism where GUJSAIL can collect a rebate when ATF is below a certain value and the operator can get a fuel surcharge when ATF is above a certain value.</p> <p>ii. Transactional Currency Requirements:</p> <p>a. To be fair to the international bidders, the VGF and all other currencies should be adjusted periodically to reflect the prevailing exchange rate (INR <> USD) as of the invoicing date.</p>	No change

Corrigendum 3: Response to Pre-Bid Queries

Request for Proposal (RFP) for Selection of Airline Operator for Providing Connectivity between Sabarmati Riverfront & Statue of Unity through Seaplane Services

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18.	5. Technical Bid & Form 2: i. Required Documents – To accommodate international bidders, the documents under serial numbers 8,9 & 10 have to be excluded and be provided time after their selection to submit them. Similar requirements are present in Form 2 as well, which needs to be excluded.	No change
19.	6. Annexure 1: i. Form to be updated in accordance with 1.2 & 1.3, thus, asking the bidders for a flat rate for running seaplane operations for the specified route and other constraints.	No change