

F. No. 3/5/2017-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
(Infrastructure Section)


North Block, New Delhi
Dated the 28th July, 2017

OFFICE MEMORANDUM

Subject: Record of Discussion of 78th Meeting of the Empowered Institution (EI) for the Scheme for Financial Support to PPPs in Infrastructure (Viability Gap Funding Scheme) – reg.

The undersigned is directed to enclose a copy of Record of Discussion on 78th Meeting of the EI for the grant of VGF under the Scheme for Financial Support to PPPs in Infrastructure held on 20th July, 2017 under the Chairmanship of Special Secretary (EA) for information and necessary action.

Encl: as stated above.


(Mrutyunjay Behera)
Director (Infra.)
Ph: 23092528

To

1. **Sh. Bijoy Kumar Patnaik**, Additional Secretary to Government of Odisha, Works Department, Odisha Secretariat Building, Bhubaneswar – 752001.
2. **Sh. K. Rajaraman**, Joint Secretary, Department of Expenditure, North Block,
3. **Sh. Praveen Mahto**, Adviser (PPP/PAMD), NITI Aayog, Yojana Bhawan,
4. **Ms. Leena Nandan**, Joint Secretary, Ministry of Road Transport and Highways, Transport Bhawan, New Delhi.
5. **Shri Suresh Kumar Vashishth**, Joint Secretary (DFPD), M/o Consumer Affairs, *Food and Public Distribution*
6. **Sh. Anoop Kulshreshtha**, Additional Chief Engineer (PPP), Public Works Department, Jaipur, Rajasthan
7. Executive Director (Silos), FCI, 16-20, Barakhamba Lane, New Delhi-110001.

Copy to:

1. Sr. PPS to Special Secretary (EA);
2. Sr. PPS to JS (Infra);
3. PS to Director (Infra);
4. PS to Director PPP

F. No. 3/5/2017-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Section

Empowered Institution (EI) for the 'Scheme for Financial Support to Public Private Partnership in Infrastructure'

78th Meeting held on July 20th, 2017

Record Note of Discussion

The 78th meeting of Empowered Institution (EI) for the Scheme for Financial Support to Public Private Partnership in Infrastructure chaired by Special Secretary, Economic Affairs, was held on 20th July 2017. The list of participants is annexed.

The Empowered Institution (EI) considered the following four proposals for "in principle" approval:

I. Development, Operation and Maintenance of Gadoj (State Border) – Majri to Haryana/ Rajasthan Border and Majri to Neemrana (SH-111 & SH 111A) Highway Project through PPP on Design, Build, Finance, Operate and Transfer (DBFOT) Toll Basis (Project from Government of Rajasthan).

II. Construction of 3 Km long Three Lane Flyover (Elevated Corridor) near Joda town including improvement of road stretch of Joda-Bamberi Section between Km. 0.000 to km. 4.875 in the District of Kendujhar, Odisha under Public Private Partnership (PPP) mode on DBFOT (Toll) basis (Project from Government of Odisha).

III. Food Corporation of India (FCI) proposes to develop the Silos of 50000 MT capacity for storage of Wheat in Consuming and Distributing area with bulk unloading facility through railway siding at Borivali, Maharashtra on DBFOT basis under PPP mode.

IV. Food Corporation of India (FCI) proposes to develop the Silos of 50000 MT capacity for storage of Wheat in Consuming and Distributing area with bulk unloading facility through railway siding at Dhamora, UP on DBFOT basis under PPP mode.

Handwritten signature

The EI noted that the Scheme for Support to PPPs in Infrastructure prescribes that VGF up to Rs. 100 crore for each project may be sanctioned by the Empowered Institution (EI), proposal for VGF upto Rs. 200 crore may be sanctioned by the Empowered Committee (EC), and amounts exceeding Rs. 200 crore may be sanctioned by the EC, with the approval of Finance Minister.

Road Sector proposal from Government of Rajasthan for in-principle approval

Agenda Item I: Proposal from Public Works Department, Government of Rajasthan for grant of in-principle approval for Development Operation, and Maintenance of Gadoj (State Border) – Majri to Haryana/ Rajasthan Border and Majri to Neemrana (SH-111 & SH 111A) Highway Project through PPP on Design, Build, Finance, Operate and Transfer (DBFOT) Toll basis.

Project Details: Length: 46.400 km; Total Project Cost: Rs. 97.81 crore; Concession Period: 14 years including 18 months construction period;

Major Development Work / Structures: 2 Lane Plus (two lane with paved shoulder): 43 kms; 4 Lane road with service road at Neemrana RIICO Industrial Area : 1.200 Kms(Km 45.200 to 46.400); Bypasses: 2 Nos; Minor Bridges (Widening): 2 Nos; Minor Junctions: 32 Nos; Culverts: (Widening / Reconstruction): Slab: 13 No.s, Pipe: 7 No.s, causeway: 1 Nos ; Toll Plaza: 1 No. at km 24.615 design chainage ; Bus Shelters: 30 No.s

VGF Sought: 20 % of TPC from Government of India as per the VGF Scheme

2. Joint Secretary (Infra) informed the EI that a proposal for “in principle” approval has been received from Government of Rajasthan (GoR) for Development, Operation and Maintenance of Gadoj (State Border) – Majri to Haryana/ Rajasthan Border and Majri to Neemrana (SH-111 & SH 111A) Highway Project through PPP on Design, Build, Finance, Operate and Transfer (DBFOT) Toll basis.

3. Additional C.E, GoR stated that the project Highway is a section of SH-111 & SH 111-A, totaling to 46.400 km length, starts at Gadoj village and ends at Haryana Border.

The project Highway lies in high growth Alwar district and it connects Neemrana industrial area. Further, the proposed Project Highway is part of the Rajasthan State Highways Development Program, which aims to modernize and augment 20,000 km of State Highways. The scope involves widening from two/intermediate lane to two lane plus configurations with provision of two bypasses at Behror and Neemrana. The 1.2 km part of the project Highway needs to be converted into 4 lane configuration at Neemrana end.

4. Advisor, NITI Aayog asked for the reason of change in the time period for the execution of Concession Agreement with the Concessionaire from 45 days to 30 days from the issuance of Letter of Award. GoR representative replied that the period of execution of Concession Agreement with the Concessionaire in DCA is modified to have similarity with the period given in Model RfQ and RfP (Clause 1.3). GoR is confident that this period is adequate. Chair suggested that GoR may fix the period taking into consideration the implications of failure to comply even by one day. GoR representative confirmed that they had done this.

5. The EI granted in-principle approval for VGF support as per the VGF Scheme to the proposal for Development, Operation, and Maintenance of Gadoj (State Border) – Majri to Haryana/ Rajasthan Border and Majri to Neemrana (SH-111 & SH 111A) Highway Project through PPP on Design, Build, Finance, Operate and Transfer (DBFOT) Toll basis, subject to the following conditions :

- a. GoR shall undertake the corrections in the project DCA based on appraisal remarks of DEA, NITI Aayog and MoRTH and agreed by GoR.
- b. GoR shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration.
- c. GoR shall circulate the final documents to members of the EI for the record.

Road Sector Proposal from Works Department, Government of Odisha for in principle approval

Agenda Item II: Construction of Three (3) Km long Three Lane Flyover (Elevated Corridor) near Joda town including improvement of road stretch of Joda-Bamberi Section between Km. 0.000 to Km 4.875 in the District of Kendujhar, Odisha under Public Private Partnership (PPP) mode on DBFOT (Toll) basis

Project Details: Length 4.875 Km, Total Project Cost: Rs.221.87 crore (Rs.45.51 crore/Km); and Concession Period: 23 years including 2

PS/12

years of construction period.

Major Development Works/ Structures: Flyover: 1 No.; Total length of flyover will be 2775 mtr with three lanes and width of 11 mtr; Minor Bridges: 1 No; Toll Plaza: 1 No; Length of Service Road: 2.80 km (both sides); Culverts: 4 Nos;

VGF Sought: Rs.51.47 crore (23.2% of TPC of Rs.221.87 crore) of which Rs.44.37crore (20% of TPC) is sought from Government of India as per the VGF Scheme.

6. Joint Secretary (Infra) informed the EI that a proposal for “in principle approval” has been received from Works Department, Government of Odisha for Construction of Three (3) Km long Three Lane Flyover (Elevated Corridor) near Joda town including improvement of road stretch of Joda-Bamberi Section between Km 0.000 to Km 4.875 in the District of Kendujhar, Odisha under PPP mode on DBFOT (Toll) basis. Director (Infra) stated that the TPC of the project is Rs.221.87 crore with assessed VGF of Rs.51.47 crore (23.2% of TPC of Rs.221.87 crore) of which Rs.44.37 crore (20% of TPC) is sought from Ministry of Finance under the Government of India’s Scheme for Financial Support to PPPs in Infrastructure (VGF

7. Secretary, Works Department, Govt. of Odisha (GoO) made a presentation on the Project proposal and stated that commercial vehicles are not allowed to ply in the day time to use the existing road and the movement of these vehicles creates traffic congestion at night. Therefore, to decongest the traffic flow, Works Department, GoO proposes to develop the dedicated 3 lane flyover only for commercial trucks without disrupting the regular traffic. The project includes a Toll plaza 200 meter away from flyover and toll will be collected from commercial trucks.

8. Joint Secretary, DoE sought to know whether a 6 lane bypass instead of a 3 lane flyover could be considered, which will substantially reduce the project cost. Secretary; Works Department, GoO replied that all possible technical options were analyzed in detail factoring in the location & geometry of land, availability of land, forests, built-up area, etc. and was found to be infeasible to develop a bypass due to nearby mining blocks, industrial units and forest area. The proposed flyover is, therefore, the optimal and only technically feasible option to decongest the traffic under the present circumstances.

9. The Chair desired to know the justification of the estimated cost per km of Rs.45.51 crore of the project and the cost comparison of the proposed project with similar kinds of projects. Secretary, Works Department, GoO replied that cost has been worked out by

the Technical Consultant based on the designs prepared for the Project, Bills of Quantities and taking into consideration prevailing SOR in Odisha. It was further clarified that this cost includes the 3 lane flyover and its approaches, improvement of approach road for a length of 1.895 Km, new construction of 5.50 m wide service road with RCC covered drain for a length of 2.980 Km on either side of flyover, new construction of two numbers of minor bridges of span 2*18 m, Toll plaza, junction improvement and culverts. The component-wise break up of project cost and comparison with other 4 similar elevated projects is provided by Work Department, Odisha as a part of their clarification, which confirms that the per km cost of project is in line with the average per km cost for similar elevated corridor projects.

10. JS, DEA asked whether the design would imply creation of a bottleneck when merging with the main traffic after the flyover. Secretary, Works Department, GoO stated that since commercial traffic will ply throughout the day on the flyover in both directions, it is expected to actually decongest existing choking and, further, provision of proposed service road ensures that existing two lane road plus 3.5 meter service road are sufficient to cater to traffic. Further, as per Clause 2.12.2 of IRC-SP-73-2015, minimum 5.50 meter wide service road on either side of flyover has been proposed, so there is no chance to create bottleneck/narrowing of carriageway / risk congestions / accidents under the flyover.

11. MoRTH representative enquired to know the reason for choosing a 3 lane flyover over 2 lane or 4 lane flyover from design point of view. He also suggested the provision for flexible median, which will regulate the traffic flow and overcome safety issues with the proposed 3 lane flyover. Secretary, Works Department, GoO replied that 3 lane flyover is the only possible solution to decongest the traffic considering the design aspect, alignment and land availability. The provision of broad 3 lane is to provide some extra space in the lane considering breakdown condition and provide sufficient turning radius for smooth traffic movement with respect to large commercial trucks. GoO representative agreed to have the provision for median. Joint Secretary (Infra.) suggested that it needs to be ensured that introduction of medians have no implication on the project cost. GoO representative agreed to this.

12. Advisor, NITI Aayog pointed out some discrepancies in the DCA. GoO representative informed the EI that the comments of NITI Aayog have been complied with.

13. The EI granted in-principle approval for VGF support as per the VGF Scheme to the proposal for Construction of Three (3) Km long Three Lane Flyover (Elevated Corridor) near Joda town including improvement of road stretch of Joda-Bamberi Section between Km 0.000 to Km 4.875 in the District of Kendujhar, Odisha under Public Private Partnership (PPP) mode on DBFOT (Toll) basis for TPC of Rs. 221.87 crore with total VGF support of Rs.51.47 crore (23.2% of TPC of Rs.221.87 crore) of which

Rs.44.37crore (20% of TPC) is sought from Government of India as per the VGF Scheme under the Government of India's Scheme for Financial Support to PPPs in Infrastructure (VGF Scheme) subject to the fulfilment of the following conditions:

- a. Works Department, GoO shall undertake correction in the project DCA based on appraisal of DEA, NITI Aayog and DoE and as agreed to by GoO.
- b. GoO shall obtain clearances as required before commencing work on the project site.
- c. GoO shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above
- d. GoO shall circulate the final documents to the members of the EI for record.

Ministry of Consumer Affairs, Food and Public Distribution

Agenda Item III and IV: Proposals from Department of Food & Public Distribution, Ministry of Consumer Affairs, Food & Public Distribution, for grant of in principle approval of VGF under the GoI's VGF Scheme for Development of Modern Silos for Storage of Wheat on DBFOT basis under PPP mode at two (2) locations, viz. Dhamora (Uttar Pradesh) and Borivali (Maharashtra)

Dhamora (Uttar Pradesh)

Design Capacity: 50000 MT; **No. of Silos:** 4 with 12500 MT capacity;
Total Project Cost: Rs37.86 crore; **Concession Period:** 30 years including 2 years of concession period.

VGF Sought: 20 % of TPC from Government of India as per the VGF Scheme

Major Development Works: Building and Civil works and P&M for 50,000 MT capacity of Silos; Electrical and Other Utilities; Dismantling of the Temporary Plinths; Refurbishment of common facilities; Modification of the existing Railway Siding for split rake arrangement.

Borivali (Maharashtra)

Design Capacity: 50000 MT; No. of Silos: 4 with 12500 MT capacity;
Total Project Cost: Rs.41.51crore; **Concession Period:** 30 years including 2 years of concession period.

VGF Sought: 20% of TPC from Government of India as per the VGF Scheme

Major Development Works: Building and Civil works and P&M for 50,000 MT capacity of Silos; Electrical and Other Utilities; Dismantling of the Temporary Plinths / Structures; Refurbishment of common facilities; Modification of the existing Railway Siding for split rake arrangement.

14. Joint Secretary, DEA informed the EI that there were two projects from Department of Food & Public Distribution, Ministry of Consumer Affairs, Food & Public Distribution for Development of Modern Silos at Dhamora (UP) and Borivali (Maharashtra). It was also informed that the proposed projects are similar to the earlier Six (6) Silos projects granted “in principle approval” in 68th EI and 69th EI meetings dated 3rd Nov 2015 and 22nd Dec 2015.

15. Executive Director (Silos), FCI briefed the EI on the salient features of the proposed Modern Silos and stated that the projects are essential for shifting from conventional storage of food grains to modern silos with bulk handling facility through railway siding, will mechanize the existing supply chain and improve operational efficiency. ED (Silos) enumerated that Silo required less land as compare to conventional warehouse, it has efficient monitoring mechanism of food grains, reduce substantial wastage and enhance shelf life of grains.

16. Joint Secretary, (DEA) informed the EI that FCI has floated the RFQ and received the bids prior to obtaining “in principle” approval of EI, which is considered as deviation from Scheme guidelines. As per the Scheme Guidelines, the bid documents are to be floated only after in principle approval of EI. Further, she stated that Audit has passed extremely strong strictures on a similar deviation in the past despite the Chair in that case recording his dissatisfaction with the flouting of the laid down procedures. Chair had noted that the Scheme Guidelines have been taken for granted and authority had floated the RFQ document before seeking in principle approval from EI. FCI replied that RFQ is based on the earlier bid documents approved by EI and RFQ process was initiated to save time in anticipation of getting in principle approval prior to issuance of RFP. The Ministry of Consumer Affairs, Food and Public Distribution were requested to explain

why RFQ document has been floated and bids were evaluated before the in principle approval of the project. FCI apologised for the deviation and stated that mistake had occurred because they assumed that following similar RFQ document as approved by EI in its 68th & 69th EI meetings would suffice. Hence, the request may be considered as they confirmed that there are no deviations from the earlier approved RFQ document. JS Infra stated that bypassing of prior "in principle" approval procedure can be only if Ministry of Consumer Affairs, Food and Public Distribution moves to standardize the approved documents of the 68th and 69th EI and issues model documents as per prescribed procedures. Chair stated that based on confirmation that there are no deviations, the current proposal can be considered.

17. Joint Secretary, (DEA) briefed EI that the technical eligibility criteria defined in model RFQ document has been revised from 200% of TPC to 100% TPC, which is in line with the criteria followed in case of non VGF Silos and Rice Silos. FCI informed that the above mentioned criteria has been revised to increase the competition and also received approval on the same from their Ministry.

18. Joint Secretary, Department of Expenditure inquired about the cost of silos per MT in comparison to earlier Silos. FCI replied that Silos cost per MT is in the range Rs.7000 per MT to Rs.8000 per MT, which is less than earlier Silos.

19. Chair desired to know the status of Railway clearance considering the 2 years construction period of the project. FCI stated that Railway had already given the in principle approval for the split rake arrangement for Dhamora and Borivali locations. Further FCI has confirmed that all clearances with respect to projects will be obtained before award of the project.

20. Advisor, NITI Aayog highlighted points pertaining to bid documents, i.e., change in ownership clause, ceiling of 0.5% payment to independent expert of the TPC, defined terms may be in capital to avoid ambiguity and fixed time period to fulfil the condition precedent's. Executive Director (Silos) confirmed that necessary corrections shall be carried out in the project documents pertaining to change in ownership and defined terms in capital. ED (Silos), FCI further stated that in case of earlier Silos projects, price bids less than 0.5% of TPC were received against the appointment of Independent Engineer. Joint Secretary, DEA clarified that fixed time period is for fulfillment of the CPs within defined period by both the parties to avoid untoward events.

21. All the members of EI were in agreement to grant in principle approval of VGF support for the project.

22. The EI granted in principle approval of VGF support as per the VGF Scheme to the proposal for Development of Modern Silos for storage of wheat on DBFOT basis under



PPP mode at two locations viz. Dhamora (Uttar Pradesh) and Borivali (Maharashtra) subject to the fulfilment of the following conditions:

- a. FCI shall undertake correction in the project DCA based on appraisal of DEA, NITI Aayog and DoE and as agreed to by FCI.
- b. FCI shall obtain clearances as required before commencing work on the project site
- c. FCI shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above
- d. FCI shall intimate and obtain prior approval of the EI on any change in VGF requirements along with justification
- e. FCI shall circulate the final documents to the members of the EI for record.



Ministry of Finance
Department of Economic Affairs
Infrastructure Section

Empowered Institution for the 'Scheme and Guidelines for Financial Support to Public Private Partnership Appraisal Committee' 78th Meeting held on 20th July 2017

List of Participants

1. Department of Economic Affairs, Ministry of Finance
 - i. Shri Dinesh Sharma , Special Secretary, Economic Affairs (In Chair)
 - ii. Ms. Sharmila Chavaly, Joint Secretary (Infra)
 - iii. Shri Mrutyunjay Behera, Director (Infra)
 - iv. Ms. Seema Jain, Deputy Director (PPP)
 - v. Shri Nitish Saini, Assistant Director (Infra)
2. Department of Expenditure, Ministry of Finance
 - vi. Shri. K. Rajaraman, Joint Secretary
3. NITI Aayog
 - vii. Shri Praveen Mahto, Advisor
4. Ministry of Road Transport and Highways (MoRTH)
 - viii. Shri Sanjeev Kumar, SE
5. Department of Food & Public Distribution
 - ix. Shri Suresh Kumar Vashishth, Joint Secretary (DFPD)
6. Government of Odisha



x. Shri N.K.Pradhan, Secretary, Works Department

7. Government of Rajasthan

xi. Shri Anoop Kulshreshtha, Additional C.E (PPP)

8. Food Corporation of India

xii. Shri S.P.Kar, ED (Silos)

xiii. Shri Aseem Chhabra, GM (Silos)

xiv. Shri R.N.Bhargava, Advisor (Silos)

