

**NAVI MUMBAI INTERNATIONAL AIRPORT PVT. LTD**

**PROCUREMENT POLICY FOR SUB-LICENSING**

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## 1.0 BACKGROUND

This Procurement Policy (the “**Policy**”) is to define the broad framework, principles and procedures to be followed by Navi Mumbai International Airport Pvt. Ltd. (“**NMIAL**”) for awarding Sub-licensing Contracts (*defined below*).

This Policy shall apply uniformly to every Sub-licensing Contracts (*defined below*), whether during the construction period and/or operation period of Navi Mumbai International Airport.

## 2.0 DEFINITIONS AND ABBREVIATIONS

### Definitions

1. “**Bidder(s)**” shall mean any entity which bids in response to Tender.
2. “**Competitive Bidding**” shall mean the bidding process adopted by NMIAL for award of Sub-licensing Contracts.
3. “**Contract Value**” shall mean the value of the Sub-licensing Contract as finalised and agreed between NMIAL and the other party.
4. “**Competent Authority**” shall mean the Chairman and/ or the Managing Director and/or Chief Executive Officer of NMIAL or the personnel as authorised by the Chairman and/ or the Managing Director and/or Chief Executive Officer of NMIAL
5. “**Open Tender**” shall have the meaning ascribed to the term in Clause 3(A)(viii)(b)(i)
6. “**Related Party**” shall be as defined under – (i) the Concession Agreement dated 8<sup>th</sup> January 2018; and (ii) the Companies Act, 2013.
7. “**Single Stage Limited Tender**” shall have the meaning ascribed to the term in Clause 3(A)(viii)(a)(i).
8. “**Sub-licensing Contracts**” shall mean the binding commercial agreements executed between NMIAL and other parties pertaining to provision of goods/services or sub-licensing or allocation of any space, building, rights or privileges to Users at NMIA in consideration of payment of fees/charges to NMIAL.
9. “**Tender**” shall mean *inter alia* the Tender Documents released by NMIAL as part of the Competitive Bidding to seek the technical and financial bids, or only financial bids, whether separately or together from interested Bidders for awarding the Sub-licensing Contract.
10. “**Tender Documents**” shall include but not be limited to - (i) expression of interest; (ii) request for qualification; (iii) request for proposal; and (iv) request for qualification cum proposal for the Competitive Bidding process; or any other document seeking offer for undertaking a Sub-licensing Contract.
11. “**User**” shall have the meaning ascribed to the such term under the Concession Agreement dated 8<sup>th</sup> January 2018.

## 3.0 Policy Details

## **A. Tendering Process**

- (i) NMIAL's relevant department is responsible for concerned revenue generating activity (i.e. commercial, cargo, land side development, etc.) shall work on the proposed scope of the contract including its key terms. Once internally finalized by the relevant department, the Tender process shall be initiated.
- (ii) Non-Disclosure Agreement or a No-Disclosure Undertaking ("NDA" or "NDU", respectively), wherever applicable, shall be signed by Bidder(s) prior to NMIAL sharing any bid related documents, post bid invitation/advertisement. This is to ensure that complete confidentiality is maintained throughout the Tendering process.
- (iii) All Bidders shall be given equal opportunity by way of providing identical documents and instructions.
- (iv) Preferably, a minimum of three bids/quotations shall be obtained/ invited. However NMIAL is authorised to proceed to award contract even if Bids received during the Tender process are less than three.
- (v) The contact information of NMIAL's representative for the Tender shall be clearly mentioned in the Tender documents and he/she should remain the single point of communication for all activities relating to that Tender.
- (vi) Bidders shall be given the opportunity to raise the questions and request clarifications, wherever necessary. Responses to appropriate questions/ clarifications shall be shared with all Bidders.
- (vii) The Tender shall specifically mention where the bid documents need to be submitted in a sealed envelope and/or electronically.
- (viii) **Category of Tenders:** Following Tender categories shall be applicable:
  - a. For Sub-licensing Contracts upto Rs. 25 crores:**
    - i. **Single Stage Limited Tender:** For Contract Value upto Rs. 25 crores, a single stage limited tender shall be adopted wherein a Request for Proposal shall be issued to shortlisted Bidders.
    - ii. **Single Contractor:** NMIAL is authorized to call proposal from a single vendor in the following scenarios:
      - a) The contract is required to be executed with urgency or shortage of time.
      - b) Where the contract/category is of special nature requiring specialized skills in relevant field or where the single vendor is the sole qualified person providing the relevant goods or services.
      - c) Where the agency has worked previously; considering maintainability/ compatibility issues it is necessary to continue with the system supplied/ deployed.

- d) Where a specific vendor is required for the purposes of providing a better user experience or complying with the obligations under the Concession Agreement and/or Applicable Laws.
- e) Where the contract is of confidential nature and public announcement is not desirable.
- f) Where security issues are involved.

**b. For any Sub-licensing Contract above value of Rs. 25 crores:**

- i. **Open Tender:** Procurement shall be done through Competitive Bidding by means of e-tendering where Tender notice will be published in newspaper(s) and /or NMIAL website's and/ or online portal. Methods for inviting Tender may be as follows:
  - ii. **Two Stage Bidding Process:** This process will comprise of a separate – (i) expression of interest/ request for qualification; and (ii) request for proposal.
  - iii. **Single Stage Bidding Process:** This may be followed as deemed fit by NMIAL's relevant department which will ensure that the process is conducted in a fair and transparent manner and subject to the provisions of Clause 3(C)(i) below.
- (ix) Expression of interest / request for qualification stage (by whatever name called) may include technical or financial or both eligibility criteria. Request for proposal stage (by whatever name called) may include requirement of only financial proposal or both technical and financial proposal.
  - (x) All bids shall be submitted directly to NMIAL premises or delivered directly to nominated person or submitted electronically, as stipulated in the Tender documents.
  - (xi) All bids shall be opened, in the presence of at least two authorised NMIAL personnel, with one authorised person from techno-commercial (procurement) and finance department each.

**B. Submission of Bids**

A valid bid is an irrevocable offer submitted for acceptance by NMIAL. A complete and compliant bid is one which satisfies the following criteria:

- (i) unconditional;
- (ii) submitted at proper place;
- (iii) unambiguous;
- (iv) submitted within due date and time;
- (v) submitted as per prescribed forms in the bid documents along with all relevant and required documents;
- (vi) for the complete scope for award of contract; and

- (vii) accompanied with purchase cost / Bid Security (if applicable) as prescribed in the bid documents.

However, in exceptional circumstances the prior approval of the Competent Authority can be obtained for proceeding with conditional Bids.

**C. Bid Evaluation**

- (i) Evaluation of technical bids shall be carried out first and those who qualify technically, financial bids of only those shall be considered. Financials bids of Bidders who do not meet the minimum technical qualifying requirements shall not be considered for further processing. However, NMIAL's relevant department may do away with the requirement of technical bid when the proposed Sub-licensing Contract is of such a nature that technical evaluation of interested parties are not warranted, provided that NMIAL is satisfied that the Bidder is experienced and qualified.
- (ii) In the alternative, instead of technical pass / fail, rankings may be assigned based on pre- determined scoring criteria. In such cases, weightage shall be given to technical qualification/submission and financial offer separately. Bidder with highest combined score derived by multiplying the qualification score and price with the respective weightages, shall be considered for award. Provisions of negotiations / counter offer as mentioned below shall apply mutatis mutandis in such case also.

**D. Evaluation Method**

- (i) Among technically qualified Bidders, the Bidder whose financial bid is the highest after negotiation/ counter offer, if applicable, shall be considered for the award. Alternatively, where there is no technical pass/fail, the Bidder who has received the highest combined score on the basis of technical and financial weightages, after negotiations / counter offer, shall be considered for the award.
- (ii) In exceptional cases a Bidder whose Bid is not the highest may be selected and in such cases detailed reasons shall be provided to arrive at such decisions and approval of the Competent Authority must be obtained.

**E. Negotiations**

- (i) After evaluation of bids and finalization of comparative analysis, wherever necessary negotiation shall be carried out with the Bidder(s) to maximize revenue.
- (ii) Negotiation can be carried out by NMIAL with any and/or all bidders to arrive at the most competitive offer for the contract.
- (iii) Subject to Clause D(ii) above, discussions for counter offer/ negotiation shall be undertaken first with the highest Bidder and if not accepted the same counter offer may be given to the next highest Bidder till it is finally accepted. In case none of the Bidders accept counter offers, the same may be revised and the process mentioned above may be adopted again.

**F. Approval Process and Award**

- (i) The decision to accept the bid would be at the sole discretion of NMIAL whose decision would be final. Further, NMIAL, at any point of time, if it deems fit in the

circumstances, may cancel and / or defer the entire process or any part of the process. However, it shall be ensured that scrutiny and acceptance of the proposal is carried out in a fair, transparent and non-arbitrary manner.

- (ii) In the event that the successful Bidder does not execute the Sub-licensing Contract for any reason, NMIAL may, instead of conducting the Bidding Process again, approach the second-best Bidder directly for execution of the Sub-licensing Contract.
- (iii) NMIAL's relevant department shall initiate the Note For Approval (NFA) in the standard template to seek approval of the Competent Authority, or any other personnel, so authorised by the Competent Authority for award of any Sub-licensing Contract.

#### **4.0 Related Party Transactions**

Wherein a Related Party participates in the Tendering Process, the transaction with such Related Party shall be processed in accordance with the provisions of Concession Agreement dated 8<sup>th</sup> January 2018 and Companies Act, 2013.

In such cases, it shall be responsibility of NMIAL's relevant department to circulate all the necessary papers to the secretarial department for placing before the Audit Committee, Board and Shareholders for taking necessary approvals, as applicable.

#### **5.0 Residuals**

- (i) Any deviations from the guiding principles of this Policy shall be approved by Competent Authority.
- (ii) This Policy will be effective from the date of its approval by the Board of Directors of NMIAL.

#### **6.0 Changes in the Policy**

This Policy may be amended, modified or expanded in scope as may be considered appropriate. Any such change shall be made with prior approval of the Competent Authority and with information to the Board of Directors.