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The issues concerning evaluation of bids relating to Delhi and Mumbai airports were discussed and debated intensely in IMG for 4 days. The issues mainly fall in two categories, namely, (a) legal issues, and (b) issues relating to evaluation. The important legal issues are - (a) deviation from the RFP (In case of Evaluation Criteria No. 1.1.4, 1.1.6, 1.1.8, 1.1.9, 1.2.2 & 1.2.3 and 5.2.4, and (b) Conflict of interests.

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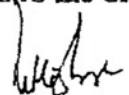
2. The Consultant explained about the deviations from the RFP. The explanation seems to me unsatisfactory. For example, in respect of Criteria No. 1.1.6 - the threshold limit of 40% or more in non-aeronautical revenue of airports has to be considered. But, in case of Consortium E, the commercial revenue is 37% of total revenue (which is below threshold limit of 40%), was considered and given 3.75 marks. Similarly, in case of criteria 1.1.8 - Operating and developing airports in non-OECD countries and improving performance - experience in developing airports in non-OECD countries alone is to be considered. However, here they have considered the experience of operating and developing airports in Mexico, which is an OECD country. Though, the Consultant later on explained that the Group had experience in master planning at Ecuador and Guatemala, the same does not relate to this criteria since the consideration under this criteria is in respect of operating and developing airports in non-OECD countries and a track record for improved performance. Moreover, experience in respect of master planning is being separately evaluated and scored under Criteria Nos. 4.1.1 and 4.1.2. Further, in the Evaluation Report of the Consultant, even though it was mentioned that Consortium E has no experience beyond home market, since Mexico is akin to developing country (it is an OECD country), it was considered and given marks.

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3. On legal issues, it is better to have legal advice from high quarters i.e. Attorney General.

4. The important issues relating to evaluation generally include weightages given, the initial development plan (IDP), HRD and the absorption of 40% of the AAI employees, benchmark of 40% revenue from non-aeronautical operations, experience in non-OECD countries, non-adherence to the prescribed scale of marks, etc. Based on the detailed discussions on these points and on other points, I feel that some leniency was shown to Consortium E.

5. We may go for a fresh evaluation of the bids by an independent Technical Committee of eminent persons not associated with earlier evaluations to be constituted by the Government. They may be given all necessary assistance by the technical staff of AAI and Consultant and the observations of IMG and GRC members should be given for better appreciation.


(Prashanta K. Mishra)
Addl. Secretary & FA
15.12.2005

~~Secretary (CA)~~

Handled over by Secy (CA) on
16/12/05.
D. B. K.

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