



No. AAI/Tariff/Major Airports/2020-21

14.12.2020

M/s PKF Sridhar & Santhanam LLP
KRD GEE GEE Crystal, 7th Floor
91-92 Dr. Radha Krishnan Salai,
Mylapore
Chennai- 600004

Subject: ENGAGEMENT OF CONSULTANT FOR PREPARATION OF TRUE UP OF MULTI YEAR TARIFF PROPOSAL OF 2ND CONTROL PERIOD (01.04.2016 TO 31.03.2021) AND DETERMINATION DEEMED INITIAL RAB (REGULATORY ASSET BASE) AS ON COMMERCIAL DATE OF OPERATIONS (COD) AS PER AERA METHODOLOGY IN RESPECT OF 03 (THREE) PPP AHMEDABAD, LUCKNOW AND MANGALORE AIRPORTS.

Ref: AAI Tender ID No. 2020_AAI_60265_1

Sir,

Your offer quoted through e-tender for the said work is hereby accepted on behalf of Chairman, Airports Authority of India at your quoted price of Rs.900000/- (Rupees Nine Lakhs only) inclusive of all taxes except applicable GST which shall be paid extra as per details.

2. You are requested to attend the office of Executive Director (SIU/ Tariff), Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi -- 110003 within 07 days of receipt of this letter to sign and complete the contract agreement on a non-judicial stamp paper of value Rs.100 (Rupees one hundred only) and the cost of stamp paper shall be borne by you.

3. The Terms of reference (TOR) is enclosed as per Annexure -I

4. in case of delay in completion of the work as specified in the time schedule the consultant shall be liable to pay liquidated damages not exceeding an amount equal to 0.5% (Zero point five percent) of total value of the contract per week subject to maximum of 10% (Ten percent) of the total value of the contract.

5. Any further correspondence in this connection shall be addressed to ED(SIU/ Tariff).

6. You are requested to provide detail of Representatives/Team Members who will be associated with the work for the said Airports.


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7. The award will be governed by the terms and conditions stipulated in the tender document.

8. You are requested to furnish the Contract Performance Guarantee as per Clause 3 of General Condition of Contract in the format prescribed as per Appendix-D of tender documents.

9. As per clause 2 of General Condition of Contract of Tender the amount of the Security Deposit shall be 5 % of the Contract Value. Earnest Money amount of Rs. 40000/- shall be retained by the Airports Authority of India (AAI) as part of security for the due and faithful fulfillment of the Contract (the "Security Deposit") by the agency. The balance amount to make up the Security Deposit for this Consultancy shall be recovered from the running bills @ 10% of the gross amount of the bill till the sums so deducted amount to 5% of the total fees payable to the agency.

In case the successful bidder wants non deduction of Security amount from the running bills, in such case the amount likely to be deducted as security can be deposited by the bidder in form of Fixed Deposit Receipts / Guarantee Bonds/ Bank Guarantee of Nationalized Bank or any Scheduled Bank but not co-operative or Gramin Bank in accordance with the prescribed form, provided confirmatory advice is enclosed within 30 days from the date of issue of this letter.

10. The payment shall be governed as per payment terms mentioned in page 7 of the payment schedule of tender.

11. Please acknowledge the receipt of this letter as a token of acceptance of the work.

Yours sincerely,



(N.V. Subbarayudu)

Executive Director (SIU/Tariff)

For and on behalf of Chairman, AAI

Rajiv Gandhi Bhawan, Safdarjung Airport,
New Delhi-110003

Encl: As above

Terms of Reference

1.Objective:

Engagement of Consultant for preparation of True up of Multi Year Tariff Proposal of 2nd control period (01.04.2016 TO 31.03.2021) and determination of Deemed (Regulatory Asset Base) as on Commercial Operation Date (COD) as per AERA methodology in respect of 03 (Three) PPP Ahmedabad , Lucknow and Mangalore Airports.

2.Scope of Work of Consultant

- I. Updation of Financials w.e.f. 01.04.2016 upto Commercial Operations Date (COD) in the MYTP model to be submitted to Airports Economic Regulatory Authority (AERA).
- II. Prepare the financial model in line with the methodology prescribed by the AERA.
- III. Bifurcation & Grouping of Trial Balance for the year from 2016-17 up to Commercial Operation date (COD).
- IV. Bifurcation of Expenditure into Aero, Non-Aero, ANS & Cargo Segments.
- V. Bifurcation of Revenue into Regulated and Non-Regulated income.
- VI. Bifurcation of Assets Capitalized during the control period (2016-17 to Commercial Operation date (COD) into ANS, Aero, Non-aero and Cargo Assets.
- VII. To Consider Regulatory Asset base (RAB) as on 01.04.2016 as per AERA order and accordingly work out RAB as on COD (to be called as "Deemed initial RAB") as per AERA methodology.
- VIII. Preparation of various ratios i.e. Terminal Building Ratio, Residential Quarters Ratio, Vehicle Ratio, Employee Ratio etc. for the financial model.
- IX. Examine and analyse CHQ/RHQ Expenditure and look into the correctness of its apportionment to the particular airport for which the true up is to be done.
- X. Prepare Building Block for MYTP and ensure that the treatment given it is in line with AERA methodology, approach and studies.
- XI. Prepare the financial model in line with the methodology prescribed by the AERA.
- XII. Preparation of ARR and calculate any shortfall/surplus in ARR with the actuals Aeronautical Revenues from 01.04.2016 up to COD considering the following Regulatory Building Blocks and ensure that the treatment given to it is in line with the AERA methodology, approach, studies
 - i) FROR to be applied to RAB (Aeronautical Portion),
 - ii) OPEX,
 - iii) Depreciation,
 - iv) Tax
 - v) Revenue from Non-Aeronautical Services. and to compare with the actuals in order to calculate Actual Excess/Short recovery as on COD.
- XIII. Preparation of year wise list of Non-Aeronautical Assets as on COD.
- XIV. Respond to any queries that Regulator may seek for determination of Deemed Initial RAB / true up.
- XV. To carry out Physical verification and Reconciliation of Assets as per Deemed initial RAB.
- XVI. Assist AAI in various queries raised by AERA relating true-up & determination of Deemed Initial RAB.
- XVII. Assist AAI in any meeting (If any) convened by AERA and analyse the various


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suggestions made by the participants and reply thereof along with PPT presentations.

XVIII. Assisting AAI till implementation of order.

XIX. All documents related to the assignment to be verified by the concerned Airport Director.

XX. The Consultant has to undertake visit to the airport and correlate with the books of accounts.

XXI. The consultant has to go through the Concession Agreements in order to reconcile the final determination by Regulator with the Concession agreement.

XXII. The Competent Authority may assign any other work which is not specified in the above scope of work related to Tariff/ True up and Deemed Initial RAB determination.

XXIII. The above mentioned scope of the work is indicative in nature and not exhaustive.

3. Time Schedule /Payment Milestone

Payment schedule for tariff determination of airport services of major airports are as under:

LUCKNOW, MANGALORE AND AHMEDABAD AIRPORTS

Sr. No.	Deliverable/Milestones	Payment schedule
1.	Submission of True up of regulatory building blocks as per AERA methodology along with Deemed Initial RAB as on Date of COD	50%
2.	Final determination of Deemed Initial RAB by Regulator AERA.	50%

*The proposed Commercial Operation Date (COD) as per Tender Document

Sr. No.	Name of Airport	proposed Commercial Operation Date (COD)	Actual COD
1.	Lucknow	01.11.2020	02.11.2020
2.	Ahmedabad	10.11.2020	07.11.2020
3.	Mangalore	25.10.2020	31.10.2020

Note : Date of proposed COD may vary as per circumstances

** AAI reserves the right to extend the period of Consultancy on its own discretion.

4. Delivery schedule: The Selected Consultant shall be given a period of 06 (six) months to accomplish the assignment from the date of signing of Agreement. AAI may, however, in its discretion, extend the period on case to case basis.

Signature Not Verified

Digitally signed by BHAVESH KUMAR SHARMA
Date: 2025.03.27 12:29:53 IST
Location: eProcurement System for Central PSUs