

# PREPARATION OF DETAILED FEASIBILITY REPORT FOR THE “DEVELOPMENT OF YACHT MARINA AT MINICOY ISLAND OF LAKSHADWEEP”

## TERMS OF REFERENCE

### **Background:**

The archipelago of Lakshadweep, viewed as India’s natural treasure, has the potential to become a world class tourist destination. With its pristine beaches, turquoise blue water, coral reefs, unique marine biodiversity and picturesque landscapes, it has all the ingredients to attract travelers from across the globe.

Recently, Lakshadweep has become most sought after destination for luxury cruise lines such as Cordelia and Costa Sarena and for sea based adventure tourism. Marina close to the international maritime route at the south west coast of the Indian peninsula, with favourable conditions and minimum tidal variations throughout the year is the need of the hour.

Minicoy island, a picturesque strip of land surrounded by pristine blue waters, is believed to be at the heart of the tourism expansion plans of the Lakshadweep administration. It has got immense potential for its development as it lies in the international sea route and has been notified as the Immigration Check Post (ICP) to facilitate the requirement of foreign vessels.

Being a strategic location with natural protection from weather elements, easy access to popular sailing routes and proximity to tourist attractions as well as considering the factors like water depth, seabed conditions and environmental impact assessments etc., UTLA propose to develop a Yacht marina in Minicoy island with all amenities and services that cater to the needs of yacht owners and visitors such as fuel station, pump-out- facilities, marina office, boat repair and maintenance services, restaurants and retails shops etc. It shall offer concierge services, yacht provisioning, waste management solutions and recreational activities too.

In this regard, it is proposed to conduct Feasibility studies at Minicoy island in order to assess the techno - commercial viability to develop a world class yacht marina to promote tourism along with preservation of its rich bio-diversity, natural beauty and local tradition. A map of Minicoy island is at Annexure-I.

### **The Detailed Feasibility Report should cover the following aspects :-**

- 1. Context / Background:** This should provide a brief description of the sector / sub-sector, the national priority, strategy and policy framework as well as a brief description of the existing situation.
- 2. Problems to be addressed:** This section should elaborate the problems to be addressed through the project / scheme at the local / regional / national level, as the case may be. Evidence regarding the nature and magnitude of the problems should be presented, supported by baseline data / surveys / reports. Clear evidence should be available regarding the nature and magnitude of the problems to be addressed.
- 3. Project Objectives:** This section should indicate the Development Objectives proposed to be achieved, ranked in order of importance. The deliverables /

outputs for each Development Objective should be spelt out clearly. This section should also provide a general description of the project.

4. **Target Beneficiaries:** There should be clear identification of target beneficiaries. Stakeholders analysis should be undertaken, including consultation with stakeholders at the time of project formulation. Options regarding cost sharing and beneficiary participation should be explored and incorporated in the project. Impact of the project on weaker sections of society, positive or negative, should be assessed and remedial steps suggested in case of adverse impact.
- (i) **Project Strategy:** This section should present an analysis of alternative strategies available to achieve the Development Objectives. Reasons for selecting the proposed strategy should be brought out. Basis for prioritization of locations should be indicated (where relevant). Options and opportunity for leveraging government funds through Public-Private Partnership must be given priority and explored.
  - (ii) **Legal Framework:** This section should present the legal framework within which the project will be implemented and strengths and weakness of the legal framework in so far as it impacts on achievement of project objectives.
  - (iii) **Environmental Impact Assessment:** In this section shall assess the Environmental Impacts and, wherever required and measures shall be identified to mitigate adverse impacts, if any. Issues relating to land acquisition, rehabilitation and resettlement should be addressed in this section.
  - (iv) **On-going Initiatives:** This section should provide a description of ongoing initiatives, if any and the manner in which duplication will be avoided and synergy created through the proposed project for any ongoing initiatives.
  - (v) **Technology Issues:** This section should elaborate on technology choices, if any, evaluation of options, as well as the basis for choice of technology for the proposed project.
  - (vi) **Management Arrangement:** Responsibilities of different agencies for project management and implementation should be elaborated. The organization structure at various levels as well as monitoring and coordination arrangements should be spelt out.
  - (vii) **Means of Finance and Project Budget:** This section should focus on means of finance, evaluation of options, project budget, cost estimates and phasing of expenditure. Options for cost sharing and cost recovery (use charges) should be considered and built into the total project cost. Infrastructure projects may be assessed on the basis of the cost of debt finance and the tenor of debt. Govt. of India's various funding options

shall be considered. Options for raising funds through private sector participation shall also be considered and built into the project cost.

- (viii) **Time Frame:** This section should indicate the proposed 'Zero' date for commencement and also provide a PERT / CPM chart, wherever relevant.
- (ix) **Risk Analysis:** This section should focus on identification and assessment of project risks and how these are proposed to be mitigated. Risk analysis could include legal / contractual risks, environmental risks, revenue risks, project management risks, regulatory risks, etc.
- (x) **Evaluation:** This section should focus on lessons learnt from evaluation of similar projects implemented in the past. Evaluation arrangements for the project, whether concurrent, mid-term or post-project should be spelt out. It may be noted that continuation of projects / schemes from one Plan period to another will not be permissible without an independent, in depth evaluation being undertaken.
- (xi) **Success Criteria:** Success criteria to assess whether the Development Objectives have been achieved should be spelt out in measurable terms. Base-line data should be available against which success of the project will be assessed at the end of the project (Impact Assessment). In this regard, it is essential that base-line surveys be undertaken in case of large, beneficiary-oriented projects. Success criteria for each Deliverable / Output of the project should also be specified in measurable terms to assess achievement against proximate goals.
- (xii) **Financial and Economic Analysis:** Financial and economic analysis of the project may be undertaken where the financial returns are quantifiable. This analysis would generally be required for investment and infrastructure projects, but may not always be feasible for social sector projects where the benefits cannot be easily quantified.
- (xiii) **Sustainability:** Issues relating to sustainability, including stakeholder commitment, operation and maintenance of assets after project completion, and other related issues should be addressed in this section.
- (xiv) Final report shall be subject to be issued along with RFP document.
- (xv) Generally the Feasibility Report shall meet all the requirements of different Ministry's (GoI) funding Guidelines.

**Note:** Requirement of the EFT / PIB format may also be kept in view while preparing the **Detailed Feasibility Report**.

**The following aims are also to be considered :-**

1. To evaluate / review the Reports, if any prepared earlier, for Development of Marina and in line with the following: -
  - Site inspection, collection of all available data, preliminary discussion with

the administration officials, potential customers, Government departments and other agency likely to have interest.

- Recommend facilities/services to be created in the Marina based on the Market survey.
  - Study the draught requirement based on the facilities proposed and also the dredging requirement, if any.
  - Geotechnical investigation data available with UTLA will be shared and Consultant is expected to use this data for planning facilities. For oceanographic data requirements available data will be shared and also Consultants can rely on secondary published data. Conducting mathematical model studies, hydraulic model studies including wave hind study, navigational simulation studies etc. are not required to be carried out now. If required, it will be carried out by CoPA separately.
  - Suggest area requirement for construction of berths, stack yards, dock basin, entrance channel, approach channel, turning circle with dimensions viz. length width, depth etc.
  - Identify the requirement of back up areas, pavement requirements, road approaches network and other utilities etc.
  - The layout of the Project area as recommended in the Feasibility Report will be optimized after evaluation.
  - The quantity shall be calculated for dredging, if necessary, based on the available hydrographic survey data or data available with Department of Science & Technology, UTLA. The detailed quantity of calculation of dredging, reclamation and piers shall also be given.
  - The number of buildings required in the Project shall be evaluated and the adequacy of the buildings shall be suggested.
  - The recommendation on structural requirements considering environmental impacts and its mitigation management.
  - **Viability and sensitivity analysis:** The Viability study shall cover simulation models on conservative, normal and optimistic scenarios to aid the process of going in for the project.
2. **Market Survey:-** To undertake a detail Market survey for the next 25 years for functioning the Project with Commercially viable.
  3. Evaluation of layout for Project area requirement, back up area requirement, etc.
  4. To assess the additional investigations to complete the project.
  5. Evaluation of dredging methodology taking into account the available soil investigation reports.
  6. Suggest ToR for Environmental Impact Assessment (EIA) report and preparation of Environmental Management Plan (EMP).
  7. Preparation of Detailed Cost Estimate for each component indicating the project cost, phasing of capital expenditure, operating and maintenance cost, revenue computation, etc.

8. Computation of financial and economic viability analysis of the project, cash-flow statement, etc.
9. Physical and financial programme, CPM & PERT chart.
10. Inception Report shall be prepared based on documentary evidence, site inspection and preliminary discussion with the Port officials, UTLA officials, potential customers, other groups / agencies, etc., likely to have interest in the Project.
11. Draft Feasibility report shall be prepared considering the following:-
  - a) Detailed Market study for the next 25 years.
  - b) Development needs:- It shall contain the Layout of Development of Marina
  - c) To identify the requirement of areas for the Project, road approach network, etc.
  - d) To prepare detailed cost estimates for the proposed infrastructure including roads & approaches, and other allied facilities in Indian Rupees.
  - e) To prepare detailed time schedule for the whole Project indicating the time requirement of the various components of the Project from inception till commissioning of the same. Suggestions for executing the Project shall also be made.
  - f) Assessment of management and supervisory staff requirement during construction as well as operational period and framing of rules and regulation for safe navigation as per international laws, Indian and international fee structure, legal, security arrangement etc.
  - g) Carry out Financial and Economic Internal Rate of Return (indicative FIRR / EIRR).
  - h) Prepare realistic implementation schedule for the project
  - i) Preparation of ToR for Environmental Impact Assessment (EIA) report and preparation of Environmental Management Plan (EMP) Report on possible investment and cost recovery models.
  - j) Any other appurtenant works considered necessary.
  - k) Environmental protection and compensatory measures.
  - l) Capitalization of interest.
  - m) System operation.

**Note:**

While furnishing the cost of works in Indian Rupee for each of the items, duties, taxes, insurance, interest components involved, the costs of fuel, wages, lubricants, third party hire, repairs and maintenance shall be brought out separately.

To work out financial viability of the project duly taking into account the initial capital cost and recurring annual operating costs and the "direct revenue" and furnish the financial IRRs including sensitivity analysis.

12. The scope of work for preparation of Detailed Feasibility Report includes but not limited to the following activities.

- (i) Review of EOI received/ prepared for Development of Marina, if any.
- (ii) Consultation with CoPA / UTLA Officials
- (iii) Field visits and site inspections
- (iv) Presentation to CoPA/UTLA/Ministry, as required.

**Note:** On completion of (i), (ii) and (iii), Inception Report is to be submitted.

13. Submission of Reports

The Consultant shall submit reports and presentations according to the following schedule:

1	Inception Report	30 days from the date of signing of Agreement and upon discussion with the Authority.
2	Draft Final Report including Executive Summary	60 days from the date of signing of the Agreement
3	Final Report including Executive Summary	90 days *from the date of signing of the Agreement

\*excludes the time taken by the CoPA/ UTLA in providing its comments on Draft Reports.

14. Payment Schedule

The payment schedule for the submissions shall be as detailed below:

1	On submission of Inception Report	25%
2	On Submission of Draft Final Report including Executive Summary	25%
3	On Approval of Draft Final Report including Executive Summary	25%
4	On Submission and approval of Final Report including Executive Summary	25%

15. The Consultant shall submit number of Reports as follows:

1	Inception Report	5 hard copies and soft copy in editable mode in pen drive
2	Draft Final Report including Executive Summary	5 hard copies and soft copy in editable mode in pen drive
3	Final Report including Executive Summary	10 hard copies and soft copy in editable mode in pen drive

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