



भारतीय खेल प्राधिकरण

## *SPORTS AUTHORITY OF INDIA*

### 66<sup>th</sup> MEETING OF THE FINANCE COMMITTEE

## *AGENDA*

**Date:** February 26, 2014 (Wednesday)

**Time:** 3.00 p.m.

**Venue:** Conference Room, 1<sup>st</sup> Floor, NDTL Building  
Adjacent SAI Head Office, Lodi Road,  
New Delhi- 110 003

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**Agenda Item No.1**

**Confirmation of the Minutes of the 65<sup>th</sup> Meeting of the Finance Committee (FC) of Sports Authority of India (SAI) held on September 12, 2013**

The Minutes of the 65<sup>th</sup> Meeting of Finance Committee of SAI were circulated vide Circular No. 6(28)/SAI/B&F/65<sup>th</sup> FC/2013-14 dated 20<sup>th</sup> September, 2013 [*Annexure- 1*] and no comments were received.

**Finance Committee may kindly confirm the minutes.**

## **Agenda Item No. 2**

### **Creation of Swimming Pool one each at Jawaharlal Nehru Stadium (JNS), Indira Gandhi Sports Complex (IGSC) and Dr. Karni Singh Shooting Range (Dr. KSSR) at total estimated cost of Rs. 907.50 lakhs**

To continue with the Government Policy, SAI decided to launch a scheme towards optimum utilization of infrastructure and vacant spaces in stadia named as Community Connect. This scheme is also aimed at promotion of Sports and healthy lifestyle among the citizens. Few new disciplines and some additional facilities for core sports as well as recreational sports are being developed so that more and more people can take participation in these facilities.

In the first phase, based on the availability of fund we have implemented some of the new sports facilities in existing Infrastructure which takes less time and minimum expenditure.

It is pertinent to mention here that the creation of Indoor Learner's pool at Dr. SPMSPC and Kiddies pool at MDCNS were already approved in 41<sup>st</sup> meeting of SAI Governing Body on 24.09.2013. Now it is proposed to create swimming pool each at JNS, IGSC and Dr. KSSR at the estimated cost given as below:

- 1 The estimated cost per swimming pool is Rs. 302.50 lakhs [*Annexure - 2*]. Thus, the total estimated cost for three swimming pools will be Rs. 907.50 lakhs (302.50 lakhs x 3). The works will be executed through public works organizations (PWOs) based on rate discovery.

#### **Approval of the Finance Committee is solicited for**

Creation of Swimming Pool one each at Jawaharlal Nehru Stadium (JNS), Indira Gandhi Sports Complex (IGSC) and Dr. Karni Singh Shooting Range at total estimated cost of Rs. 907.50 lakhs through PWOs base on rate discovery.
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### **Agenda Item No.3**

#### **Creation of Squash Court at Jawaharlal Nehru Stadium (JNS) and Indira Gandhi Sports Complex (IGSC) at total estimated cost of Rs. 5,25,33,536/-**

To continue with the Government Policy, SAI decided to launch a scheme towards optimum utilization of infrastructure and vacant spaces in stadia named as Community Connect. This scheme is also aimed at promotion of Sports and healthy lifestyle among the citizens. Few new disciplines and some additional facilities for core sports as well as recreational sports are being developed so that more and more people can take participation in these facilities.

In the first phase, based on the availability of fund we have implemented some of the new sports facilities in existing Infrastructure which takes less time and minimum expenditure.

Now it is proposed to create Eight (08) Squash Courts (4 Squash Court at JNS and 4 Squash Court at IGSC) at the estimated cost as given below:

1. The estimated cost for 4-squash court is Rs.2,62,66,768/-[*Annexure - 3*], thus approximate cost for Eight(08) Squash Court would be Rs. 5,25,33,536/- (2,62,66,768 x 2). The works will be executed through public works organizations (PWOs) based on rate discovery.

#### **Approval of the Finance Committee is solicited for**

Creation of Eight (08) Squash Court at total estimated cost of Rs. 5,25,33,536/- through PWOs based on rate discovery.
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#### **Agenda Item No.4**

#### **Creation of Golf Driving Range one each at Jawaharlal Nehru Stadium and Dr. Karni Singh Shooting Range at total estimated cost of Rs. 3,20,02,956/-**

To continue with the Government Policy, SAI decided to launch a scheme towards optimum utilization of infrastructure and vacant spaces in stadia named as Community Connect. This scheme is also aimed at promotion of Sports and healthy lifestyle among the citizens. Few new disciplines and some additional facilities for core sports as well as recreational sports are being developed so that more and more people can take participation in these facilities.

In the first phase, based on the availability of fund we have implemented some of the new sports facilities in existing Infrastructure which takes less time and minimum expenditure.

Now it is proposed to create Two (02) Golf Driving Range at Jawaharlal Nehru Stadium and Dr. Karni Singh Shooting Range at the estimated cost as given below:

1. The estimated cost for one(01) Golf Driving Range is Rs.1,60,01,478/-[*Annexure- 4*], thus the total estimated cost for two Golf Driving Range would be 3,20,02,956 (Rs.1,60,01,478 x 2). The works will be executed through public works organizations based on rate discovery.

#### **Approval of Finance Committee is solicited for**

Creation of Golf Driving Range one each at Jawaharlal Nehru Stadium and Dr. Karni Singh Shooting Range at total estimated cost of Rs. 3,20,02,956/- through PWOs based on rate discovery.
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## **Agenda Item No. 5**

### **Approval for payment to M/s Feedback Ventures Pvt. Ltd, the Transaction Adviser (TA) under PPP Project**

Feedback Ventures Pvt. Ltd vide letter dated 16.12.2013 has requested the Secretary (Sports) to release the due payment amounting Rs.33.60 lakhs towards milestone work carried out by the said firm. As directed, the matter was placed for the kind perusal of the Secretary (Sports) and the same was referred to Chairman, SAI. The Chairman has desired that the matter may be placed before Finance Committee of SAI. Accordingly, revised agenda is as follows:

M/s. Feedback Ventures Pvt. Ltd. was appointed as Transaction Advisor (TA), under PP Project for maintenance and operation of post-CWG 2010 legacy of 5 SAI Stadia in Delhi namely Jawaharlal Nehru Stadium, Indira Gandhi Sports Complex, Major Dhyana Chand National Stadium, Dr. Shyama Prasad Mukherjee Swimming Pool Complex and Dr. Karni Singh Shooting Ranges.

The Department of Economic Affairs, Ministry of Finance forwarded a list of 11 qualified firms who were allowed to participate in the bid. The selection of Transaction Advisor was done through an open bid process, out of these 11, M/s. Feedback Venture Pvt. Ltd. was emerged as the lowest bidder with a price bid of Rs.84,00,000/-(Rupees eighty four lakhs only) inclusive of service tax.

The appointment of M/s. Feedback Venture as TA was approved in the 56<sup>th</sup> Finance Committee Meetings held on 11<sup>th</sup> & 16<sup>th</sup> June, 2009 and 37<sup>th</sup> Governing Body Meeting on 24.07.2009. Accordingly, M/s Feedback Venture was appointed as TA and SAI entered into an agreement on 22.2.2010.

But due to inadequate response in pre-bid stage for selection of the concessionaires, the MYAS terminated the PPP process on 21.01.2011.

At the time of termination, TA (M/S Feedback Venture) had completed 4 stages of the work as described in the table above and forwarded the invoices to SAI for release of the due payment for the work done by them as per the schedule described in the agreement.

Out of which, the payment for the first two stages to the tune of Rs.8.40/- lakhs per stage (Total Rs.16.80/-lakhs) were released to M/S Feedback Ventures after the subsequent approval from the chairperson of the Executive Committee and the Empowered Committee in file.

But the payment of Rs.33.60/- lakhs for the third and fourth stages (Rs.16.80/- lakhs for each stage) of the work done by TA is still pending.

In Connection to the above, in the meeting of the Executive Committee (chaired by JS(Sports)) and Empowered Committee(chaired by Secretary(Sports)) held on 10.07.2012 and 11.09.2012 respectively, it was agreed to release the payment for the work done by TA.

It was also decided in the meeting as indicated by Financial Advisor (MYAS) that "SAI being an Autonomous Body, the payments can be made following the Delegation of Financial Powers. Since there was no delegation of powers to the Empowered Committee to approve the payments in this case, the appropriate body in SAI needs to take a view and release the due payments and the IFD (MYAS) could not comment on this issue".

It was also decided that after the detailed deliberations and considering that SAI is an Autonomous Body and is empowered to exercise and dispose of such proposals through their Finance Committee and Governing Body, the following decisions were taken:

1. SAI should place the matter of payments for the first two stages which have been released to the TA, to Finance Committee and Governing Body for obtaining ex-post facto approvals.
2. The empowered Committee recommends for the payment of 3<sup>rd</sup> and 4<sup>th</sup> stage of work carried out by the TA for Rs.16.80/- lakhs for each stage (Total of Rs. 33.60/- lakhs)
3. Both the above proposals (1 &2) may be placed before the Finance Committee and Governing Body of SAI.

Accordingly the above matter was placed before 62<sup>nd</sup> meeting of SAI Finance Committee held on 20<sup>th</sup> Dec., 2012 and it was differed by mentioning the following:

1. Information regarding the contractual obligation needs to be supported by inputs from the contract. The circumstances and legal /contractual issues involved at the time of termination of the agreement have not been indicated.
2. The scope of the contract also needs to be brought before the committee to indicate whether M/S Feedback ventures was or was not required to provide advice to SAI on market conditions.

The following are being submitted for the kind perusal of the Finance Committee.

**a) The Information regarding the circumstances/issues involved at the time of termination of the contract**

Subsequent to hiring of TA, presentation was made to the Minister and discussions were held with the Secretary (Sports) and the Director General, SAI. Based on this, TA prepared a draft feasibility report suggesting some revenue sources. As suggested by TA, it was decided to go for the two-bid process for the selection of the operators for each of the five stadia.

As a result we received a total of 19 applications from five parties/consortia.

Based on the screening of the applications by the TA, it was observed that

1. The bidders short listed by the TA, are primarily real estate/infrastructure companies without notable experience in Sports infrastructure Management or Sports promotion or sports entertainment.
2. Only five parties appear to have met eligibility criteria, out of which 3 have shown interest for all five stadia.
3. The revenue streams envisaged by the TA are not reflective of the sporting legacy objectives.
4. The projections relating to hiring charges in respect of SAI appear highly unrealistic
5. More observations in the draft RFP and Concession agreement

Subsequently, the discussions were held at the level of MYAS and the chairman Governing Body (SAI) (Dr. M.S. Gill). It was felt that given the inadequate response to bidding, the RFQ was not approved. Since the PPP exercise truncated at that stage and the services of the



Transaction Advisor terminated in accordance with the legal clause of termination (X) of the agreement which was entered into with them on 21.01.2011, vide which **the authority can terminate this agreement, if, at any stage of the implementation of this agreement the authority is of the view that continuation of the agreement will not be feasible or contrary to RFP or financially viable by giving 15 days notice in advance to the second party i.e. Consortium** and accordingly orders were issued by SAI on 09.06.2011 to TA terminating the agreement.

#### **b) Information regarding Contractual obligations and Scope of Work**

As per agreement, both the parties i.e. SAI and the consortium, M/s. Feedback Venture had agreed to work as per the following contractual obligations.

The Consortium (M/s. Feedback Venture Pvt. Ltd.) has agreed to provide its consultancy services to the Authority (Sports Authority of India) in relation to the Project (Implementing the PPP model for Management and Operations Programme (MOPP) for the five SAI stadia in Delhi) and the scope of work of the Consortium which is divided in the following two phases:

#### **PHASE-1 – TRANSACTION STRUCTURING**

The Consortium shall undertake a feasibility study consisting of transaction structuring. Various options with respect to the public and private sector co-operation will be investigated taking into consideration the dynamics, costs and resource requirements for the Commonwealth Games 2010 and thereafter the Consortium shall provide the most optimal/best suited models along with a financial model, solution options available and recommended structure.

The Consortium shall prepare and present a comprehensive feasibility report, by using the Government of India project preparation/feasibility guidelines for PPP Projects.

#### **PHASE-2 – TRANSACTION IMPLEMENTATION**

Assisted by the Authority, the Consortium shall manage the marketing of the Project, and be responsible for coordinating project development with potential investors. To this end, the Consortium shall prepare and finalize competitive bidding documents, arrange pre-bid meetings, finalization of documentation, bidding and closing of the project.

Final Concession Agreement for the implementation of the envisaged Project, based on the agreed PPP modality. In this regard the standardized contractual provisions devised by Government of India shall be conformed to the extent possible.

The Consortium shall be responsible for marketing of the project to a wide universe of investors and all related advertisements, and for which the consortium will provide adequate experienced personnel and subcontractors, capable of and devoted to the successful accomplishment of work to be performed under this contract. The specific individuals will be assigned for the key positions and titles, agreed job descriptions, qualification of the key personnel and subcontractors of the consortium are as per the RFP document prepaid for selection of TA and shall not be removed or replaced without the consent of the authority.

The costs related to advertisements alone will be borne by the Authority and will be issued in the name of the Ministry of Youth Affairs and sports. All such costs would require prior approval of the authority before being incurred.

## **PAYMENT SCHEDULE**

**Remuneration of the consortium shall be made in the term of ‘Transaction Fee’ of Rs. 84,00,000/- (Rupees Eighty Four Lakh Only), as mentioned in the RFP subject to approval by the Two Committees such as the Executive Committee headed by the Joint Secretary (Sports), MYAS and the Empowered Committee, headed by the Secretary (Sports), MYAS were constituted by the then Hon’ble Minister of Youth Affairs and Sports vide order dated February 3, 2010 to evaluate the work done by TA and to release the payments as per following agreed mile stones.**

The detail of the payment schedule agreed in the agreement is as under:

<b>S. No.</b>	<b>Description of Activity</b>	<b>Payment</b>
1	On acceptance of inspection report	10% of Transaction Fee(Rs.8,40,000/-)
2	On acceptance of Draft DFR	10% Transaction fee (Rs.8,40,000/-)
3	On approval of final DFR	20% of transaction fee(Rs.16,80,000/-)
4	On approval of RFQ Documents	20% of Transaction fee(Rs.16,80,000/-)
5	On Completion of evaluation of Tenders	10% of Transaction fee(Rs.8,40,000/-)
6	On issuance of LOA to concessionaire	20% of Transaction fee(Rs.16,80,000/-)
7	On commencement of operation	10% of Transaction fee(Rs.8,40,000/-)

### **Approval of the Finance Committee is solicited for**

1. Ex-post facto concurrence for the payment of Rs. 16.80 lakhs which have been released to the TA (M/s. Feedback Venture Pvt. Ltd) on the account of work carried out for the first and second stage as per the agreement.
2. For release of the payment of 3<sup>rd</sup> and 4<sup>th</sup> stage of work carried out by the TA for total of Rs. 33.60/- lakhs (Rs.16.80/- lakhs for each stage) as per the agreement.

## **Agenda Item No. 6**

### **Effective implementation of Community Connect Scheme**

Pursuant to the approval of the SAI Governing Body in its 42<sup>nd</sup> meeting held at New Delhi on 17.12.2013 for “making the various stadiums multi-disciplinary thereby making them open to citizens for recreation and better overall health of people” named as **Community Connect**.

In this regard, the Director General, SAI had constituted a committee to go into the various aspects such as membership with fee structure, charges for playing individual sports, revenue sharing model with academies / elite sports persons / private agencies for running of certain disciplines, etc. for effective implementation of Community Connect Scheme. The Committee consisting of following officials:

1.	Executive Director (Stadia)	-	Chairman
2.	Director (Infra)	-	Member
3.	Director(Finance)	-	Member
4.	All Stadia Administrators	-	Member
5.	Asstt. Director(Stadia)	-	Convener

The Committee was of the opinion that SAI may consider the system of Sports Complex, under DDA for membership model, fee structure, coaching model, entrance fee and subscription fee for members/users. Accordingly, the Committee deliberated into various issues and recommendations are as follows:

#### ➤ **Membership details as at Annexure – ‘A’**

- The Committee is of the opinion that we may replicate the system of Siri Fort Sports Complex of DDA with certain changes as Siri Fort Sports Complex is more than twenty years old and SAI is starter in this system on the following guidelines.
- The Entrance Fee should non-refundable.
- Generally, the membership should given for one(1) year with exception to be decided by DG, SAI.
- No lifetime membership may be prescribed
- It was also recommended that annual membership covers all SAI Stadia in Delhi
- For guest members (accompanied with the member) should be allowed and casual membership (Pay & Play) for Indian Citizens, Foreign Citizens and the School/ College going student.
- The membership will carry following facilities wherever available:
  1. Usage of cycling track with bicycle provided for.
  2. Usage of walking and jogging track.
  3. Volleyball grounds.
  4. All Facilities being availed under Come & Play Scheme.
  5. Chess, Carrom.
  6. Dart Board Game
  7. Kabaddi Ground
  8. Basketball Court, etc.
  9. Badminton Courts at SAI Stadia, Delhi

➤ **Details of daily usage Fee and monthly subscription as at Annexure –‘B’**

- i) There should be separate Monthly Subscription for Indian Citizens - Govt. Servant, Sr. Citizen, Foreign Citizen, non-resident Indian, others (Non-service), etc.
- ii) The general rate of monthly subscription should be same as in case of Siri Fort Sports Complex, DDA @ Rs. 200/- p.m. for members and Rs. 70/- p.m. for dependant.
- iii) In order to encourage the Senior Citizens, it is proposed to charge only Rs.120/- p.m. and Rs. 70/- p.m. for dependent.
- iv) It is also recommended that casual membership for Indian, Foreigner and students should be allowed. Separate daily rate for subscription should be fixed.
- v) For the employees of SAI and MYAS, 50 % concession may be given.
- vi) The special honorary membership, may also be given which may be within the delegation power of DG, SAI.

➤ **Details of Coaching Charges for the Academies as at Annexure – ‘C’**

These are the charges for the various disciplines of different agencies. SAI is going to replicate the model and the charges will be structured once the agencies are finalized to run the academies.

- i) The selection criteria for running the academy and to engage the elite sportspersons/Pvt. Agencies/NSFs may be done through Expression of Interest.
- i) It is proposed to have the revenue sharing of 60 : 40 basis i.e. 60% goes to the agency and 40% goes to SAI. Coaches will be provided by the agency and other infrastructure including maintenance will be provided by SAI.
- ii) There will be some facilities reserved for operations manned by SAI coaches and there could be time sharing as well.

A) **Special provisions for Educational Institutions and other organizations as at Annexure ‘D’**

B) **Drafted Model Tender documents for grant of license to firm/agency for Running, Maintenance and Operation of Gymnasium/fitness centre at SAI Stadia Delhi as at Annexure ‘E’**

- C) DG SAI may be empowered to modify/reduce the existing fee structure at emergent cases and to fix the fee structure for any upcoming new facilities.

Submitted for kind perusal and Concurrence of Finance Committee.

## **Agenda Item No.7**

### **Inclusion of Marriages in Non-Sports category**

SAI Governing Body in its 40<sup>th</sup> meeting held on 24.07.2013, delegates powers to DG, SAI to approve holding of Non-Sports events in SAI Stadia in Delhi. However, it was observed by Governing Body that marriages should not be allowed. As a follow up action, a Committee formed under ED (Stadia) finalized the tariff and norms for different venues.

Accordingly, the tariff and norms as recommended by the Committee has been approved in its 42th meeting held on 17.12.2013.

However it is felt that looking into scarcity of funds SAI needs to allow marriage receptions in the designated places at Stadia (the designated places are enclosed as **Annexure A to D**). As a matter of fact marriage reception where being allowed in Stadia CWG preparation being started. The Secretary (Sports) has approved the proposal.

Therefore, it is proposed to allowed marriage reception ceremony at designated placed in the Stadia premises other that Major Dhyan Chand National Stadium. Once approved the tariff structures and norms would be fixed for the same by the Committee on non-sporting event based on market reflection.

#### **Concurrence of the SAI Finance Committee is solicited for:**

Inclusion of marriages in the non-sports category at the designed places of SAI (Stadia).
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