

National Highways Authority of India (NHAI)

Stakeholder interaction for wayside amenities

Discussion Document
February 20th 2020

Agenda for the discussion

#	Agenda	Duration	Time
1	Context setting	15 min	11:00 AM - 11:15 AM
2	Specifics of wayside amenity development	25 mins	11:15 AM - 11:40 AM
3	Stakeholder opinions on layout of WSA and completion state of asset	35 mins	11:40 AM - 12:15 PM
4	Stakeholder opinion on operating model for O&M contractors	45 mins	12:15 PM - 1:00 PM

Greenfield Alignments – Philosophy adopted

1	**Provide alternate routes to diversify traffic**
2	**Improve geometry/alignment and provide through connectivity for major towns, thereby reduce distance and travel times**
3	**Mitigate issues like land acquisition, utility shifting and other clearances related to brown-field expansion of existing alignment**
4	**Provide thrust to the economy of backward regions by improving infrastructure**

Ambitious projects – New Highways for New India

Bharatmala Pariyojana – Greenfield access controlled corridors

Corridor	Number	Length (Km)	Cost (Rs. Lakh Crore)
Expressways	6	2,250	1.45
Greenfield corridors	16	5,250	1.65
Total	22	7,500	3.1

Construction initiated on 3 corridors (Delhi Mumbai Expressway, Trans Haryana and Trans Rajasthan) and will be completed by 2022

Delhi Mumbai Expressway | Salient Features



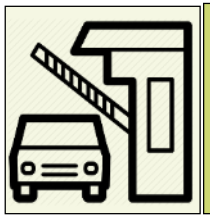
India's longest expressway at 1,320 km



Greenfield alignment to avoid **habitation** and optimize **cost of land acquisition**



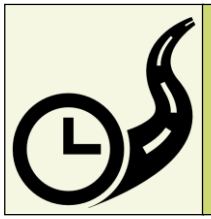
Perpetual pavement design to ensure superior **ride quality & low maintenance cost**



Complete **access controlled with pay per use close tolling** concept



Wayside amenities and **cargo facilities** planned at **every half hour**



Reduces travel time between Delhi & Mumbai from **24 hours to 13 hours**



Expressway will unlock new **economic opportunity** in **hinterland districts**



Congestion free travel to enable **fuel savings** & **CO_2 absorption** of **2 crore trees** in a year



Environmentally friendly expressway with a tree cover of **20 lakh trees**

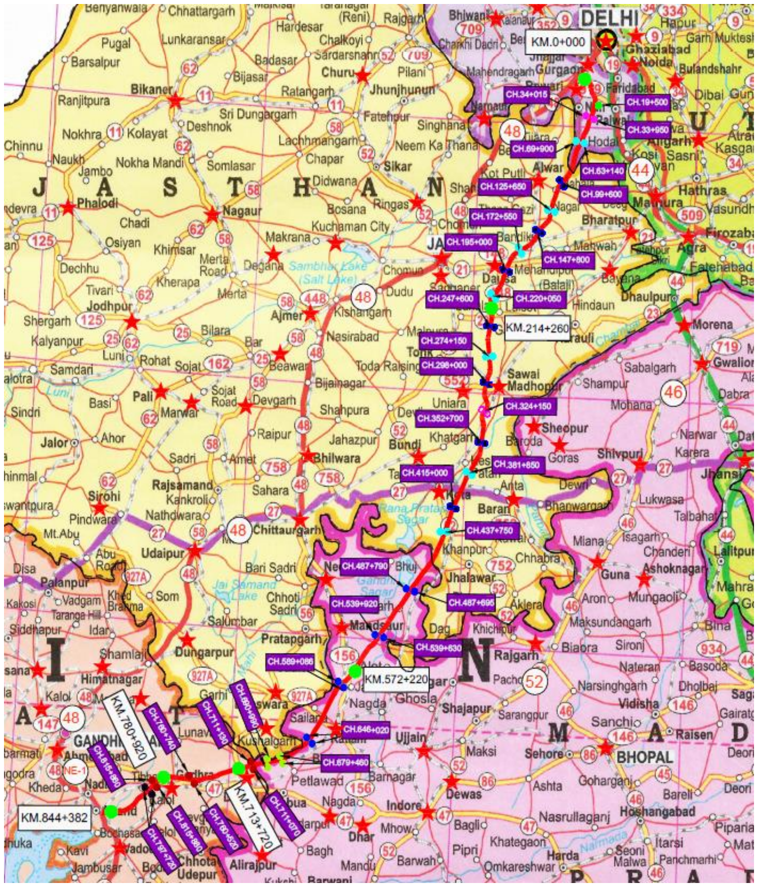


Expressway taken from **concept to award** in a **record timeframe of less than 1 year**

1. Includes spur to JNPT (94 km)

NHAI is planning to develop 92 wayside amenities across Delhi-Mumbai corridor for improving journey experience

Wayside amenities on Delhi-Vadodara Section



Wayside amenities on Vadodara - Mumbai Section



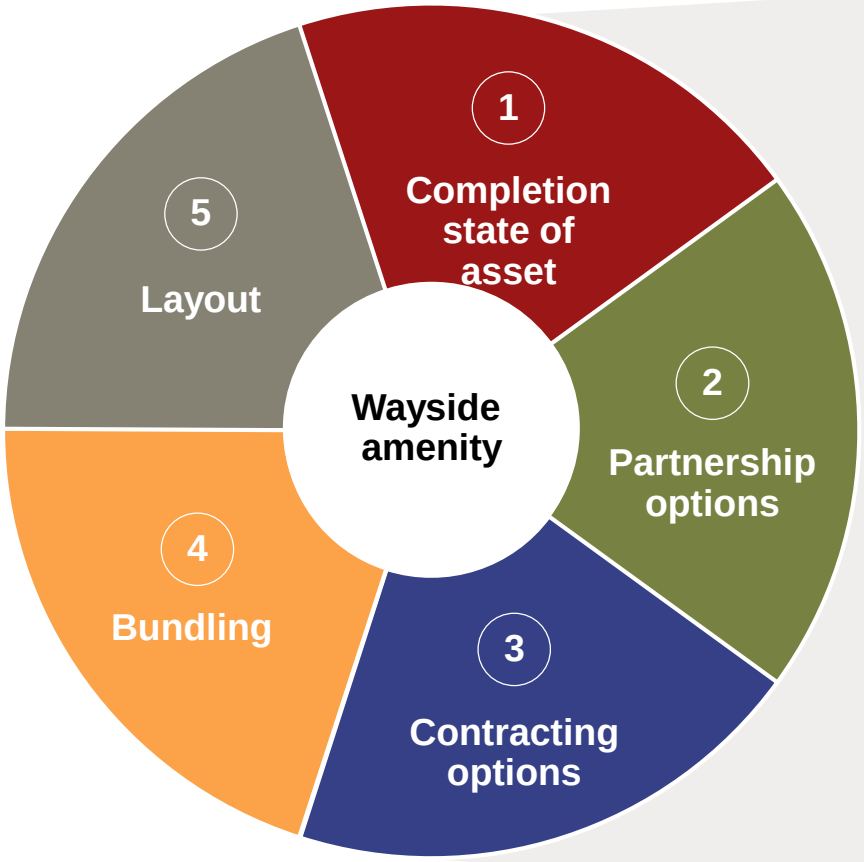
Significant progress have been made in pre-project preparation activities with land acquisition completed

Progress of wayside amenities

- 92 wayside amenities are being planned across 5 states: **Haryana (5), Rajasthan (26), Madhya Pradesh (11), Gujarat (34) and Maharashtra (16)**
- Amenities planned will have multiple facilities **including hotels, restaurants, fuel stations, healthcare services, truck parking, helipads etc.**
- Phase 1 involves **developing road user facilities** on wayside amenities and **~50% of the area will be earmarked for development of additional facilities**
- **Acquisition of land parcels completed** for road user facilities and additional facilities
  - Development of road user facilities (phase 1) to be **synchronized with corridor opening**
  - Development of additional facilities will be done **once highway is constructed and traffic flow is established**

NHAI solicits views and comments on entities, experts and stakeholders to formulate the policy on wayside amenities

Key points of discussion



1 Completion state of asset class
Warm shell, bare shell, furnished facility, timeframe to operationalize facility from handover

2 Partnership options
Single master concessionaire, product category specific concessionaire, individual concessionaire

3 Contracting options
Revenue share, fixed rental, mix of minimum guarantee and revenue share, typical leasing period

4 Bundling
By asset class, by geography, by size, alternate bundling

5 Layout requirements
Modularity of asset classes, drive through facility

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6 key elements in developing policy for wayside amenities

Key decisions for WSA development

Coverage

1 **Operating area**

2 **Guiding principles**

3 **Mix of facilities**

Project design

4 **Completion state of asset class**

5 **Operating model for O&M contractors**

6 **Layout specifications**

Size of WSA and corresponding locations along DME

	>15 Ha	12 Ha – 15 Ha	5 Ha – 12 Ha	< 5 Ha	Total
Haryana	1	2	-	2	5
Gujarat	-	5	6	23	34
MP	1	6	-	4	11
Rajasthan	12	-	-	14	26
Maharashtra	-	5	4	7	16
Total	14	18	10	50	92

Four key guiding principles for facilities in wayside amenities

Guiding principles

Overall importance

Key objectives	Description
Uniformity	• Provision of **best-in-class facilities** in wayside amenities • **Standardization of facilities** to ensure **uniform user experience across the corridor**
Modularity	• **Modularity of individual assets classes** to enable future expansion based on **increase in demand**
Safety & security	• **Control of facilities, segregation of Passenger & Trucker traffic** across wayside amenities to ensure safe user experience
Rollout time	• Phase 1 development, i.e., **road user facilities** will be **operational** when the **corridor is opened for traffic**

Planned future development would also further enhance traffic for facilities across the corridor

Type of facilities and corresponding asset classes

Phase 1 Development

Type of facility	Asset class[1]		
1 Road user facilities	• Parking spaces • F&B • Motels/Hotels • Fuel stations • Retail arcade		
2 Passenger destination facilities	• Commercial complexes • Townships • Banquets • Entertainment hub • Amusement park		
3 Freight destination facilities	• Logistics park • Warehouses		

Future development

1. Not exhaustive

6 key elements in developing policy for wayside amenities

Key decisions for WSA development

Coverage

1 Operating area

2 Guiding principles

3 Mix of facilities

Project design

4 Completion state of asset class

5 Operating model for O&M contractors

6 Layout specifications

Handover of ready to use warm shell properties to the operators is the most preferred option

Scope of highway contractor

NHAI's preferred option

Contractor role

- Highway contractors are mandated to develop **fully developed wayside amenities**
- However, NHAI **is open to suggestions to minimize re-work**

Option 1

Bare Shell

Requirements:

- Plastered walls and flooring

Option 2

Warm Shell

Requirements:

- Bare shell facilities
- HVAC systems
- Utility systems – Water, electricity

Option 3

Fully developed

Requirements:

- Warm shell facilities
- Furnishings and fixtures
- Interior designing
- Essential electric appliances

WSAs to be operational when corridor is opened for traffic - Stakeholder opinions on timeline to operationalize facility from handover are solicited

Single master concessionaire (Hospitality player - fuel operator JV) is the ideal choice of partnership option

Potential Partnership Options

NHAI's preferred option

	1 Single Master Concessionaire	2 Product Category Specific Concessions	3 Individual Concessions
Description	• All fuel + non fuel facilities **contracted to a single concessionaire** (with experience of both fuel and non-fuel operations) - **JV between fuel and hospitality player is preferred**	• Facilities **contracted on the basis of product** type e.g. Fuel retail contracted to OMC, restaurants contracted to food court O&M providers.	• Facilities **contracted on the basis of individual activities** to individual concessionaires
Examples	Master concessionaires have been appointed at Chennai and Kolkata airports.	F&B Operators – (Travel food services, lite bite foods, Kwals) and OMCs (IOCL, BPCL, HPCL)	Direct concession to brand outlets like McDonalds, KFC, CCD, Halidrams etc.

Opinions from stakeholders are solicited to understand their preference on potential partnership options

Revenue share along with minimum guarantee is the most suitable contracting option

Different options of contracting

NHAI's preferred option

Option 1

Revenue share

Pure revenue share model between the operator and the authority

Operator:

- **Minimizing risk**
- **Protection** from paying high rent

Authority:

- **Unpredictable returns**
- **Uncertainty** associated with **reporting and monitoring**

Option 2

Rental + Revenue share

Minimum guarantee and revenue share between the operator and the authority

Operator:

- **Sense of partnership**
- **Ability to maximize profits** by providing lower base and additional upside

Authority:

- Higher rentals for **prime locations**
- Issues with **reporting**

Option 3

Fixed rental

Fixed rental agreement between the operator and the authority

Operator:

- **Risky investment for contractor (**during low footfall period)

Authority:

- **Fixed returns**
- **No requirement of tracking** of performance
- **Easier to manage** operations

Additionally, stakeholder opinions on typical timeframe for lease period is also solicited

Alternate bundling of WSAs in a state to ensure large size of bidding packages and competition among sites

Key options for bundling

NHAI's preferred option

1 **Size of wayside amenity**	❖ Bundling of **different sizes (both smaller and larger)**
2 **Geography: Alternate WSA in a state**	❖ Bundling based on geography (**alternate wayside amenities)** ❖ WSAs of same operator **not located in a cluster**
3 **Asset class category**	❖ Bundling based on **asset class (fuel, non-fuel retail)** ❖ Bundling for **all asset classes together/ split of asset classes**

Alternate bundling of WSAs in a state for all asset classes together is the preferred option

Intent

1

SITE

2

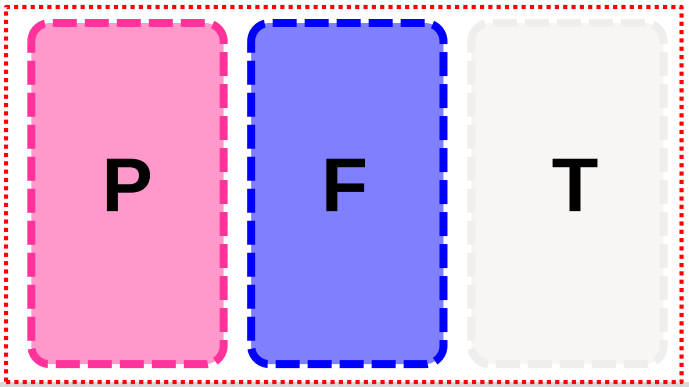
PHASES

3

USER GROUPS

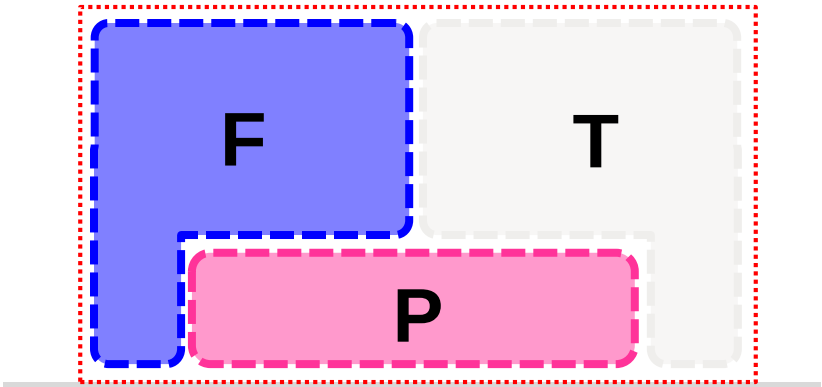
PASSENGERS | FREIGHT | REGIONAL POPULATION

Zoning options



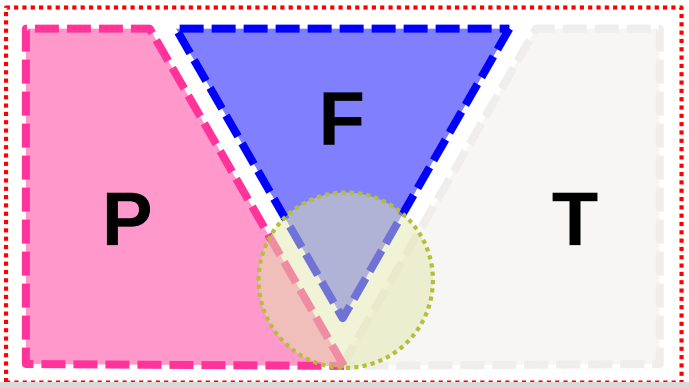
OPTION A

Passenger facilities to the left while, the trucks and cargo areas have been kept to the right with a pocket of future expansion in the centre



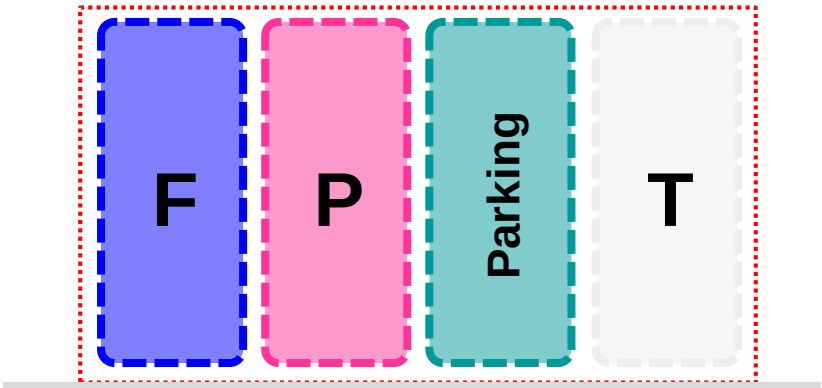
OPTION B

Passenger facilities have been given the maximum road frontage keeping the Future expansion on the left and the truck and cargo facilities to the right.



OPTION C

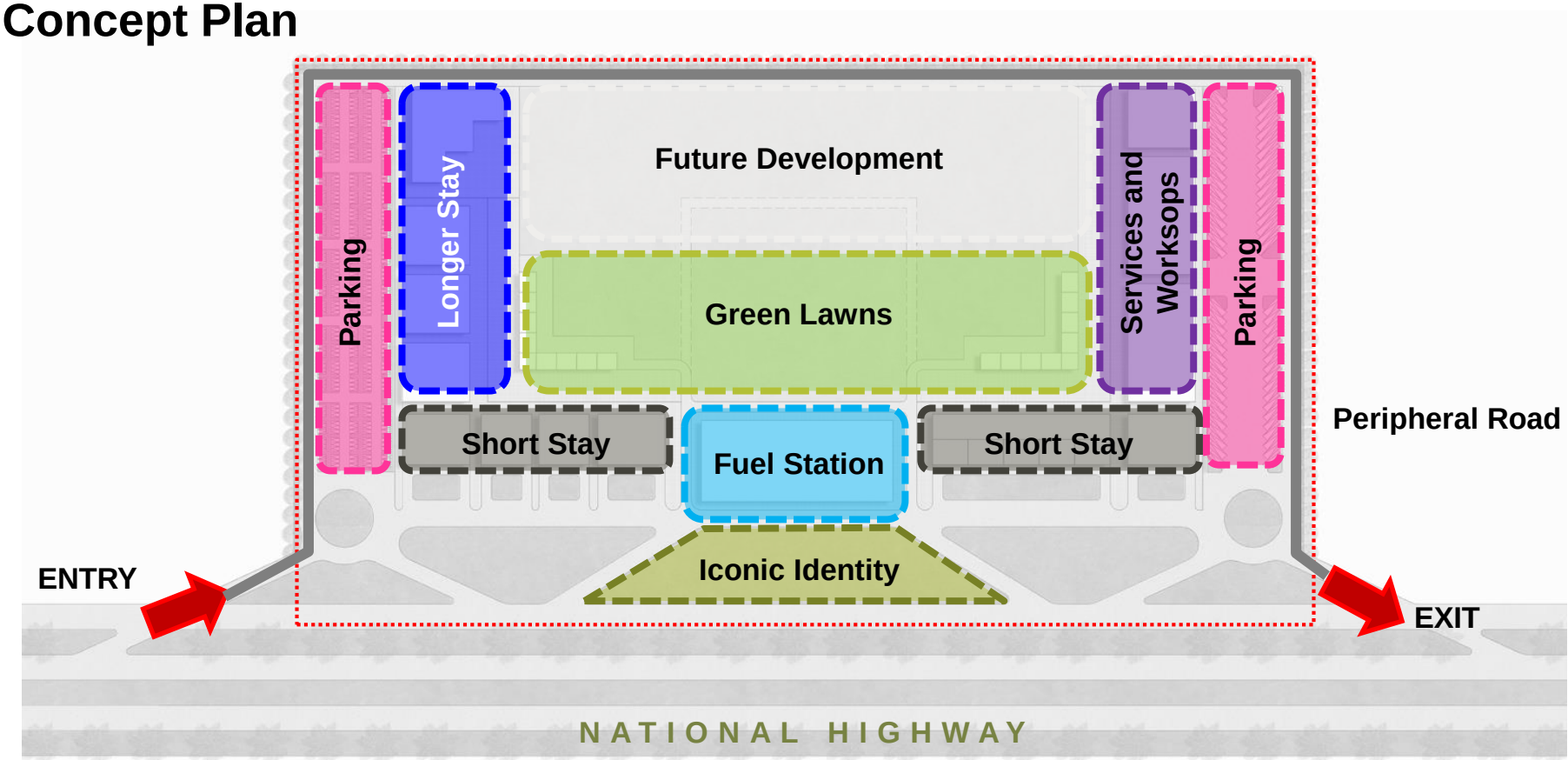
Frontage has been divided between passenger and cargo facilities while the future expansion has been shifted on the rear end



OPTION D

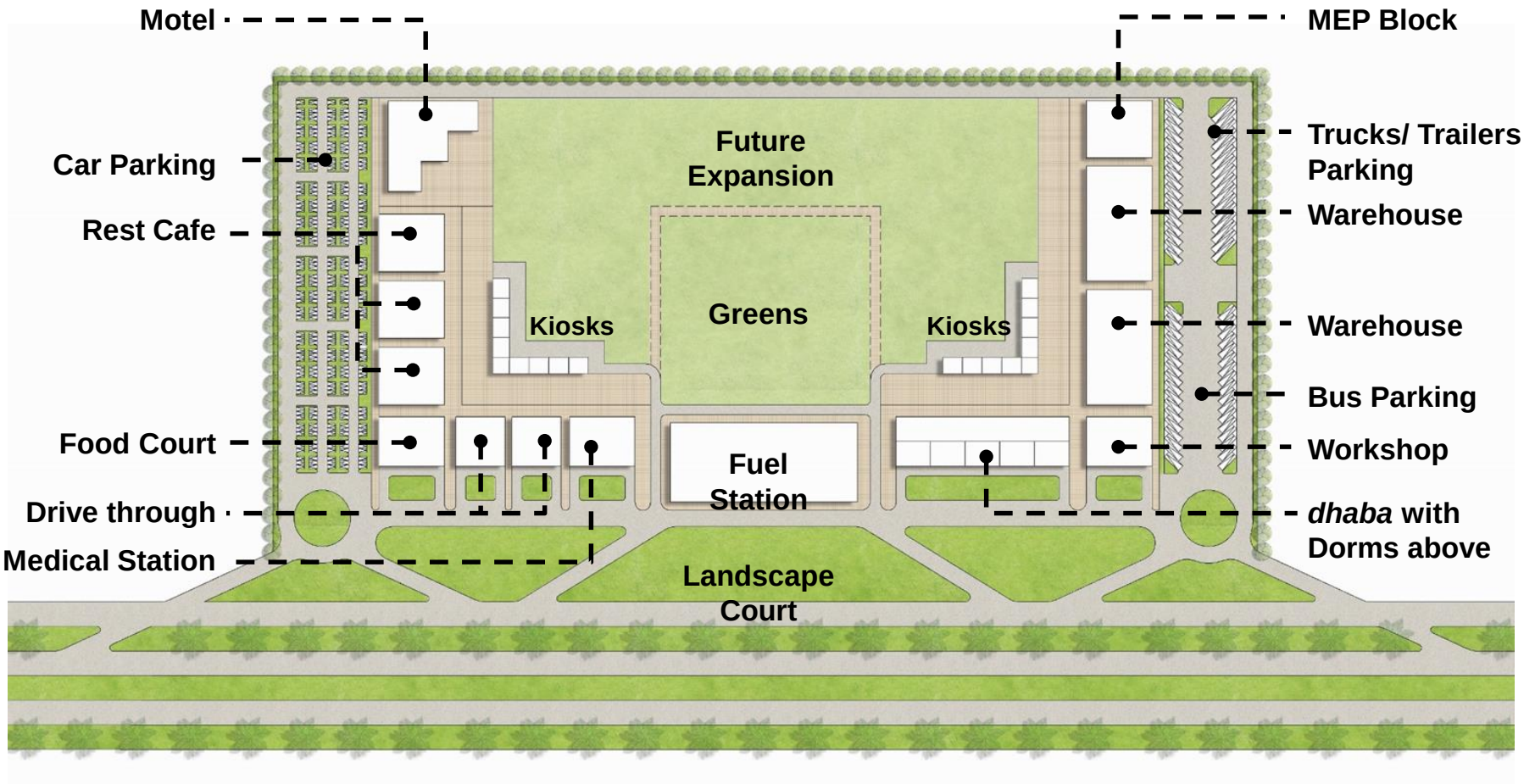
Parking space has been kept in between the Passenger and cargo facilities while the future expansion has been kept at one end. In this option, one can also develop an independent facility in the future.

Concept Plan



- Separate short stay and immediate activities from mid and long stay activities.
- Separate passengers and cargo vehicles and customers
- Offer a clear orientation and experience
- Create a USP and Identity for each way side facility

Site Plan


Motel
MEP Block
Car Parking
Future Expansion
Trucks/ Trailers Parking
Rest Cafe
Warehouse
Kiosks
Greens
Kiosks
Warehouse
Bus Parking
Food Court
Fuel Station
Workshop
Drive through
dhaba with Dorms above
Medical Station
Landscape Court

Early proposals – Typical planning



Fuel stations for cars, buses, trucks and e-vehicles









Motels – Quieter ambience away from highway









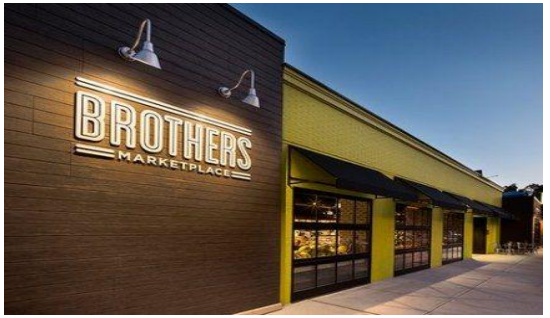
Signage – Tower, totem poles, retail brands and wayfinding







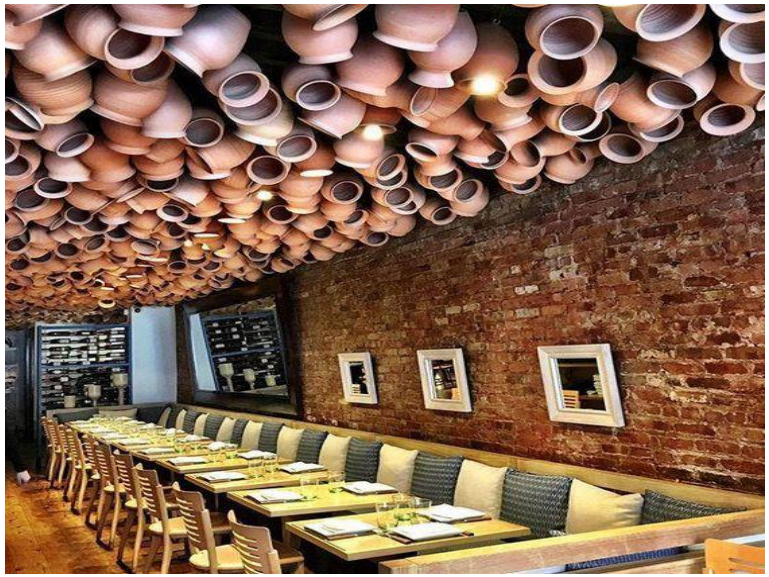


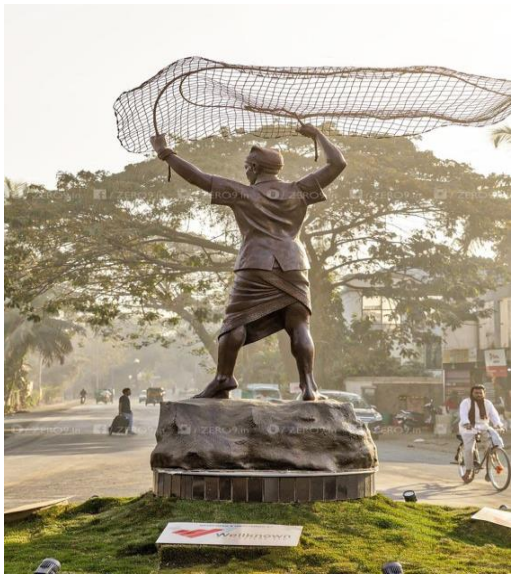


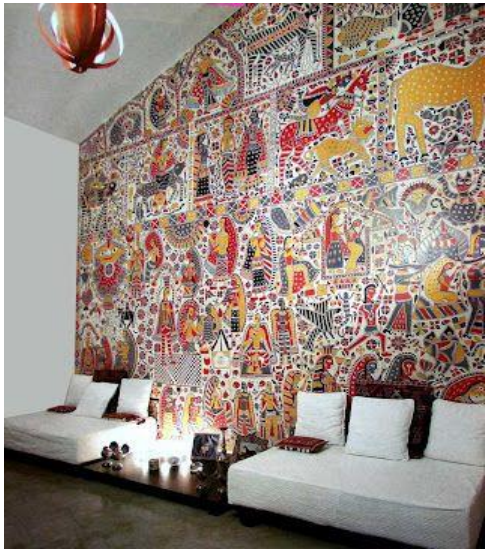
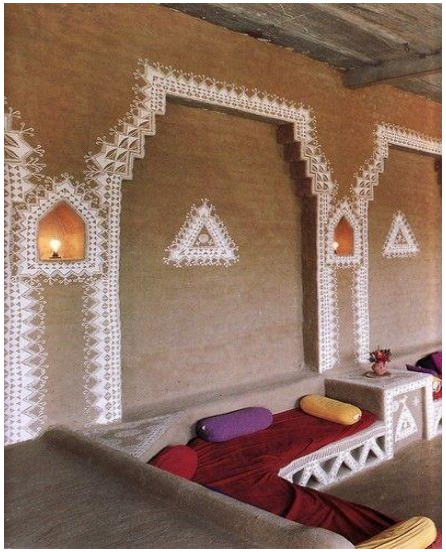




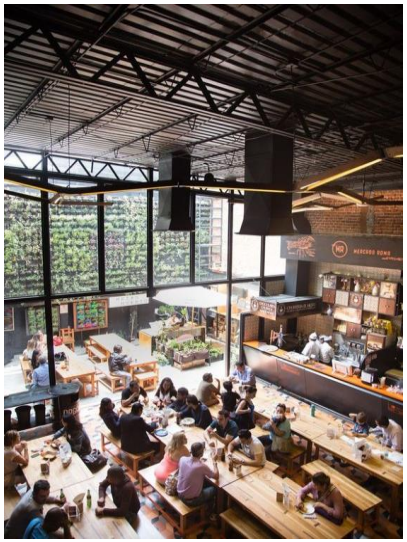
Regional Flavour



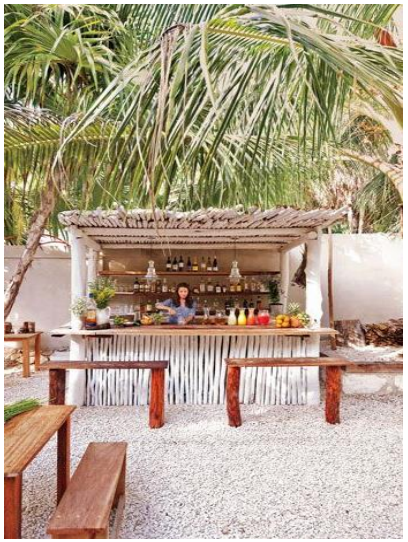



F&B – Food court, kiosks, restaurants, outdoor dhabas











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Relevant stakeholders to share their opinion on the following

#	Points of discussion
1	**Requirements on layout design** ➢ Specific requirements of asset class (drive through facility etc.)
2	**Completion state of asset** ➢ Warm shell / bare shell /furnished facility ➢ Timeframe to operationalize facility from handover
4	**Bundling of wayside amenities** ➢ By asset class ➢ By geography ➢ By size
5	**Contracting options** ➢ Revenue share ➢ Base rental ➢ Mix of minimum guarantee & revenue share ➢ Lease period
6	**Partnership options** ➢ Single master concessionaire ➢ Product category specific concessionaire ➢ Individual concessionaire

Thank you

Appendix : Ambitious projects – New Highways for New India

S. No.	Corridor	Length (km)	Total Capital Cost (Rs. Cr.)	Completion Schedule
1	Delhi - Mumbai (Delhi - Vadodara Section)	844	42,490	FY 23
2	Delhi - Mumbai (Vadodara - Mumbai Section)	447	40,033	FY 23
3	Ahmedabad - Dholera	110	4,401	FY 23
4	Delhi - Amritsar - Katra	500	30,000	FY 24
5	Chennai - Bengaluru	272	20,799	FY 24
6	Kanpur - Lucknow	75	4,183	FY 24
7	Delhi - Faridabad – Sohna (Delhi spur of Delhi – Mumbai Expressway)	60	4,140	FY 23
8	Ambala – Kotputli	227	8,726	FY 23
9	Chennai – Salem	277	9,681	FY 25
10	Bangalore Ring Road	281	15,280	FY 24

Appendix: Ambitious Projects – New Highways for New India

S. No.	Corridor	Length (km)	Total Capital Cost (Rs. Cr.)	Completion Schedule
11	Amritsar - Bhatinda – Jamnagar	762	18,255	FY 23
12	Durg - Raipur – Arang	92	2,689	FY 23
13	Raipur – Vishakhapatnam	464	16,343	FY 24
14	Surat – Ahmednagar – Solapur	464	15,700	FY 25
15	Chitoor – Thatchur	125	3,879	FY 25
16	Kharagpur – Siliguri	235	8,859	FY 25
17	Solapur – Kurnool	318	9,494	FY 25
18	Indore – Hyderabad	713	15,762	FY 25
19	Hyderabad – Vishakhapatnam	221	7,705	FY 25
20	Kota – Indore	182	3,245	FY 25
21	Hyderabad – Raipur	330	8,736	FY 25
22	Nagpur – Vijayawada	457	14,420	FY 25
	Grand Total	**7,458**	**2,99,400**	