



ABSTRACT

Micro, Small and Medium Enterprises Department – Establishment of Entrepreneurial and Business Acceleration Centre (EBAC) at Entrepreneurship Development Institute in a Public Private Partnership (PPP Mode) - Orders issued.

MICRO, SMALL AND MEDIUM ENTERPRISES (D2) DEPARTMENT

G.O.(Ms.) No. 10

Dated : 14.02.2017

ஆதீஸ்த® M@L 2048

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Read:

1. Budget Speech of Hon'ble Chief Minister dated 25.03.2015.
 2. G.O (D) No. 104 Micro, Small and Medium Enterprises (D2) Department, Dated 17.11.2015
 3. From the Principal Secretary/ Director, EDI, D.O. letter No.2869/EDI/2015 Dated 26.11.2015 and 18.02.2016.
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ORDER:

In the Budget Speech dated 25.03.2015, the Hon'ble Chief Minister made an announcement as follows:

“With a view to facilitating the growth of entrepreneurship in the State, it is proposed to establish an Entrepreneurial and Business Acceleration Centre (EBAC) in PPP mode by the Entrepreneurship Development Institute in partnership with agencies like Confederation of Indian Industries (CII). An initial financial support of Rs.3 crore is made for this purpose in the Budget Estimates. This centre will provide mentorship, training and other support services for the development of entrepreneurial ventures”.

2. In Government Order Second read above, the Government have directed the Principal Secretary / Director, Entrepreneurship Development Institute to engage transaction advisor as approved by Entrepreneurship Development Institute's Governing Council and submit a comprehensive proposal to the Government for establishing Entrepreneurial and Business Acceleration Centre (EBAC).

3. The Principal Secretary / Director, Entrepreneurship Development Institute has proposed for establishment of Entrepreneurial and Business Acceleration Centre which would highlight the various aspects of the project, including the objectives, tentative likely organizational structure and anticipated financials, Key Performance Indicators (KPI), bidding process, etc., It may be noted that aspects like the organizational structure are subject to change as per the plans of the partner agency which will be selected and assumptions have been made at this stage, in order to arrive at an estimate of the likely financials for the purpose of including relevant details in the bid documents.

4. The Principal Secretary / Director, Entrepreneurship Development Institute has requested the Government on the following:

- i. Approval for the bid process on a PPP basis for identifying the private partner to establish the Entrepreneurial and Business Acceleration Centre (EBAC).
- ii. Sanction of a capital-cum-operations grant of Rs.3 crore payable in stages in the first year and an annuity support of a maximum of Rs.8 crore, at the rate of Rs.2 crore per annum for a period of 4 years, payable in quarterly instalments subject to performance parameters and the annuity support shall be lower than the maximum of Rs. 8 crore.
- iii. The scale of annuity support would be the bidding parameter for selection of the partner agency and therefore the annuity support may be lower than the maximum of Rs.8 crore.
- iv. Nominate Entrepreneurship Development Institute as the Procuring Entity as defined in Section 2 (e) and relevant schedule of the Tamil Nadu Transparency in Tenders Act, 1998, Director, Entrepreneurship Development Institute as the Tender Issuing Authority and Governing Council of the EDI (which has Secretary Micro, Small and Medium Enterprises Department as the Chairman and includes Finance Secretary as member) as the Tender Accepting Authority.
- v. Approval for formation of a Tender Scrutiny and Evaluation Committee (TSEC) with the following composition:
 - a) Director, Entrepreneurship Development Institute;
 - b) Representative of Finance Department
 - c) Additional Director (Rural Project), O/o. the Industries Commissioner and Director of Industries and Commerce.
 - d) Dean, Centre for Entrepreneurship Development, Anna University.
- vi. To permit the Director, Entrepreneurship Development Institute to sign the concession agreement with the successful bidder after approval of the Tender Accepting Authority.

5. The Government after careful examination has accepted the recommendations of the Principal Secretary / Director, Entrepreneurship Development Institute and issue the following orders:

- a. The Entrepreneurial and Business Acceleration Centre (EBAC) is proposed to be called the Innovation and Entrepreneurship Development Centre (IEDC).
- b. The Innovation and Entrepreneurship Development Centre (IEDC) to be established by Entrepreneurship Development Institute (EDI) will function as the Entrepreneur Development Centre as envisaged in the Vision 2023 document.
- c. The Innovation and Entrepreneurship Development Centre (IEDC) will perform three main functions, viz, provision of infrastructure support including incubation and acceleration services; mentoring and networking for aspiring, early and growing entrepreneurs and knowledge and skill building across multiple platforms.
- d. The Innovation and Entrepreneurship Development Centre (IEDC) will be implemented under the PPP mode, through a Build-Transfer-Operate model. Entrepreneur Development Institute, which owns the infrastructure,

will enter into a Concessions Agreement with the identified partner to operate the facility.

- e. The Partner Agency which will implement the Innovation and Entrepreneurship Development Centre (IEDC) will be chosen through a single stage, 3 cover system, covering pre-qualification, technical proposal and financial proposal. It is proposed to adopt the Quality cum Cost Based Selection (QCBS) method to finalize the selection.
 - f. The concession agreement will be for a period of 5 years, which would be extendable for a further period of five years.
 - g. Capital cum operations grant of Rs.3 crore payable in stages shall be sanctioned in the first year. An annuity support of a maximum of Rs.8 crore at the rate of Rs.2 crore per annum for a period of 4 years shall be sanctioned subject to condition that the amount is payable in quarterly installments for performance parameters. The scale of annuity support shall be the bidding parameter for selection of the partner agency
 - h. Approval for formation of Tender Scrutiny and Evaluation Committee with the following composition:
 1. Director, Entrepreneurship Development Institute;
 2. Representative of Finance Department
 3. Additional Director (Rural Project), O/o. the Industries Commissioner and Director of Industries and Commerce.
 4. Dean, Centre for Entrepreneurship Development, Anna University.
 - i. The Entrepreneurship Development Institute should be nominated as the Procuring Entity as defined in Section 2(e) and relevant schedule of Tamil Nadu Transparency in Tenders Act, 1998, the Director, Entrepreneurship Development Institute may be nominated as the Tender Issuing Authority and Governing Council of the EDI (which has Secretary Micro, Small and Medium Enterprises Department as the Chairman and includes Finance Secretary as member) as the Tender Accepting Authority.
 - j. The Director, Entrepreneurship Development Institute is permitted to sign the concession agreement with the successful bidder after approval of the Tender Accepting Authority.
8. Orders regarding the sanction of grant will be issued separately.

(BY ORDER OF THE GOVERNOR)

**MANGAT RAM SHARMA
PRINCIPAL SECRETARY TO GOVERNMENT**

To

The Additional Chief Secretary / Industries Commissioner and
Director of Industries and Commerce,
Thiru Vi Ka Industrial Estate,
Guindy, Chennai - 32.

The Principal Secretary / Director,
Entrepreneurship Development Institute
Chennai - 32.

The Additional Chief Secretary to Government,
Finance Department,
Chennai - 9.

All Additional Chief Secretaries/ Principal Secretaries /
Secretaries to Government, Secretariat, Chennai - 9.
All District Collectors.

The Dean,
Centre for Entrepreneurship Development,
Anna University, Chennai-25.

Copy to

The Personal Assistant to Principal Secretary to Government,
Micro, Small and Medium Enterprises Department, Chennai-9.

The Micro, Small and Medium Enterprises (Budget) Department, Chennai-9.
Stock file / Spare copy.

// FORWARDED BY ORDER //

SECTION OFFICER