

Zvolen District Heating Project

Procurement of DH plant rehabilitation works, supply and installation of biomass and gas boilers

Volume I

The Tender
(Two Stage)

November 2019

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INVITATION FOR TENDERS

Slovak Republic
Zvolen District Heating Project

INVITATION FOR TENDERS

Tender document – Procurement of DH plant rehabilitation works, supply and installation of biomass and gas boilers

This Invitation for Tenders follows the General Procurement Notice for this project which was published on 15.2.2019.

Zvolenská teplárenská, a.s. (the Employer), has signed a Facility Agreement with the International Investment Bank (the Bank) towards the cost of Zvolen District Heating Project.

The Employer now invites sealed tenders from prequalified tenderers for the following contracts to be funded from the proceeds of the loan:

- **Procurement of DH plant rehabilitation works, supply and installation of biomass and gas boilers**

Tendering for contracts to be financed with the proceeds of a loan from the Bank is open to firms from all countries. The proceeds of the Bank's loan will not be used for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.

Tender documents are being provided to prequalified applicants from the prequalification procedure published on 8.8.2019.

A two stage tender procedure will be adopted and will proceed as follows:

- (a) the First Stage tender will consist of a technical proposal only, without any reference to prices, and a list of any deviations to the technical and commercial conditions set forth in the tender documents or any alternative technical solutions a tenderer wishes to offer, and a justification therefore, provided always that such deviations or alternative solutions do not change the basic objectives of the project. Following evaluation by the Employer of the First Stage tenders, the Employer will invite each tenderer who meets the qualification criteria and who has submitted a technically responsive tender to a clarification meeting. The proposals of all such tenderers will be reviewed at the meeting and all required amendments, additions, deletions and other adjustments will be noted and recorded in a Memorandum. Only qualified tenderers submitting a technically responsive and acceptable First Stage tender will be invited to submit a Second Stage tender.

- (b) the Second Stage tender will consist of an updated technical tender incorporating all changes required by the Employer as recorded in the Memorandum to the clarification meeting or as necessary to reflect any amendments to the tender documents issued subsequent to submission of the First Stage tender; and the commercial tender.

First Stage tenders must be delivered to the address below on or before **11.12.2019, 11:00 Zvolen time**, at which time they will be opened in the presence of the tenderers' representatives who wish to attend.

All Second Stage tenders must be accompanied by a Tender Security of 600,000.00 Euro [*six hundred thousand euros*] or its equivalent in a convertible currency, and must be delivered to the address below on or before the time and date of the submission deadline specified in the Letter of Invitation to submit Second Stage tenders, at which time they will be opened in the presence of the tenderers' representatives who wish to attend.

Prospective tenderers may obtain further information from, and inspect and acquire the tender documents at, the following office:

Executing Agency (Employer):

Zvolenská teplárenská, a.s.

RNDr. Miroslav Duplinský
Member of the Board of Directors and
Director of Production and Maintenance
Lučenecká cesta 25
961 50 Zvolen
Slovakia

Tel.: + 421 903 457 638

E-mail: duplinsky@zvtp.sk

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VOLUME I.i

INSTRUCTIONS TO TENDERERS

General

1. Scope

- 1.1 The Employer, as defined in the Tender Data, invites tenders for the supply and installation of the Facilities outlined in the Schedule of Requirements and the Technical Specifications in accordance with the procedures, conditions and contract terms prescribed in these tender documents.

2. Source of funds

- 2.1 The Employer intends to use proceeds of a loan from the International Investment Bank (the Bank) for eligible payments under the contract for which this Invitation for Tenders is issued. Payment by the Bank will be made only at the request of the Employer and upon approval by the Bank, in accordance with the terms and conditions of the Facility Agreement, and will be subject in all respects to the terms and conditions of the Facility Agreement. The proceeds of the Bank's loan will not be used for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.

3. Eligibility and qualification

- 3.1 Subject to paragraph 2.1 above, tenders are invited from tenderers from any country unless specified otherwise in the Tender Data.
- 3.2 To qualify for award of the contract, tenderers shall meet the qualifying criteria referred to in the Tender Data.
- 3.3 No affiliate of the Employer entity shall be eligible to tender or participate in a tender in any capacity whatsoever unless it can be demonstrated that there is not a significant degree of common ownership, influence or control between the Employer and the affiliate.
- 3.4 A firm, its affiliates or parent company which provides consulting services for a project cannot be a supplier of goods or works for such project, unless it can be demonstrated that there is not a significant degree of common ownership, influence or control between the firm supplying consulting services and the firm tendering for the supply of goods or works.
- 3.5 A tenderer may participate in only one tender for each contract. Participation as a tenderer or a joint venture partner or a consortium partner in more than one tender (other than alternatives which have been permitted or requested) will result in the disqualification of all tenders in which it is involved. However, this does not limit the inclusion of the same subcontractor in more than one tender. For the purpose of this provision, a subcontractor is not deemed to be participating in the tender process

3.6 A tender shall not be eligible to participate where it has been determined to have engaged in Prohibited Practices in accordance with sub-paragraph 45.1(d).¹

4. Cost of tendering

4.1 The tenderer shall bear all costs associated with the preparation and submission of its tender, and the Employer will in no case be responsible or liable for these costs.

5. Pre-tender meeting or site visit

5.1 The tenderer is advised to attend any pre-tender meeting or site visit scheduled in the Tender Data.

5.2 The tenderer is advised to visit and examine the site and surroundings where the Facilities are to be installed and to obtain for itself on its own responsibility all information as may be necessary for preparing the tender and entering into a contract for supply and installation of the Facilities. The costs of visiting the site shall be at the tenderer's own expense.

5.3 The tenderer and any of its personnel or agents will be granted permission by the Employer to enter upon its premises and lands for the purpose of such inspection, but only upon the express condition that the tenderer, its personnel and agents will release and indemnify the Employer and its personnel and agents from and against all liability in respect thereof, and neither the Employer, its personnel or agents will be responsible for death or personal injury, loss of or damage to property and any other loss, damage, costs and expenses incurred as a result of the inspection.

Tender Documents

6. Contents of tender documents

6.1 The tender documents comprise the documents listed below, other documentation or drawings specified in the Tender Data and addenda issued in accordance with paragraph 8.

	Invitation for Tenders
Vol. I.i	Instructions to Tenderers
.ii	Tender Data
.iii	Tender Form
.iv	Price Schedules
.v	Tender Security Form
Vol.II.i	General Conditions of Contract
.ii	Particular Conditions of Contract (- Works Procedures)
.iii	Contract Agreement Form (- Appendices)
.iv	Performance Security Form

¹ Amended 2 May 2007

.v Advance Payment Security Form

Vol.III.i Schedule of Requirements

.ii Technical Specifications

.iii Drawings and Other Documentation

6.2 The tenderer is expected to examine all instructions, forms, terms, specifications and other information outlined in the tender documents. Failure to furnish all information required by the tender documents or submission of a tender not substantially responsive to the tender documents in every respect will be at the tenderer's risk and may result in rejection of its tender.

7. Clarification of tender documents

7.1 A prospective tenderer requiring any clarification of the tender documents may notify the Employer in writing or by fax (hereinafter, "fax" includes cable and telex) at the Employer's mailing address indicated in the Tender Data. All requests for clarification must be received by the Employer no later than 28 days prior to the deadline for the submission of tenders. The Employer will respond in writing to all such requests for clarification. Copies of the Employer's response (including a description of the enquiry but without identifying its source) will be sent to all prospective tenderers that have received the tender documents.

8. Amendment of tender documents

8.1 At any time prior to the deadline for submission of tenders, the Employer may amend the tender documents by issuing addenda.

8.2 Any addendum shall be part of the tender documents and shall be communicated in writing or by fax to all prospective tenderers that have received the tender documents. Prospective tenderers shall immediately acknowledge receipt of any addendum by fax to the Employer, and it will be assumed that the information contained therein will have been taken into account by the tenderer in its tender.

8.3 To give prospective tenderers reasonable time in which to take the amendment into account in preparing their tenders, the Employer may, at its discretion, extend the deadline for the submission of tenders, as provided for in paragraph 13.2.

Preparation of First Stage Tenders

9. Language of tender

9.1 The tender and all documents and correspondence related to the tender shall be in the language of the tender as specified in the Tender Data. Any printed literature furnished by the tenderer may be written in another language so long as such literature is accompanied by an accurate translation of the pertinent passages in the language of the tender, in which case, for purposes of interpretation of the tender, the translation shall govern.

10. Documents comprising the tender

10.1 A First Stage tender submitted in accordance with these Instructions to Tenderers shall comprise the following:

- (a) The Tender Form - First Stage and Attachment 1 to the Tender Form – Covenant of Integrity (in the format indicated in Volume I.iii), duly completed in the manner and detail indicated therein and signed by the tenderer.
- (b) Attach. 1. Power of Attorney duly authorised by a notary public, indicating that the person(s) signing the tender have the authority to sign the tender and that the tender is binding upon the tenderer.
- (c) Attach. 2. Qualification of Tenderer - in the absence of prequalification, documentary evidence that the tenderer satisfies the minimum qualifying requirements referred to in paragraph 3.2 and is otherwise qualified to perform the contract if its tender is accepted. Details of the documentation required are specified in the Tender Data.
- (d) Attach. 3. Conformity of the Facilities - documentary evidence establishing that the Facilities to be supplied by the tenderer in its tender or in any alternative tender (if permitted) conform to the tender documents. Details of the required documents are specified in the Tender Data.
- (e) Attach. 4. Subcontractors Proposed by the Tenderer - the tenderer shall include details of all major items of goods or services that it proposes to purchase or subcontract, giving details of the proposed subcontractors for each of these items. Tenderers are free to list more than one subcontractor for each item of the Facilities.

The tenderer shall have been duly authorised by the manufacturer or producer of all subcontracted Plant, Equipment or components to supply and/or install the relevant items in the Employer's country.

The tenderer shall be responsible for ensuring that any proposed subcontractor complies with the requirements of paragraph 3, and that any Plant, Equipment or services to be provided by the subcontractor comply with the tender documents.

The Employer reserves the right to reject any proposed subcontractor prior to or during the clarification meeting with the tenderer.

- (f) Attach. 5. Deviations - any deviations to the tender document requirements shall be listed only in Attach. 5. The Employer reserves the right to accept or reject any deviations.
- (g) Attach. 6. Alternative Tenders - if permitted pursuant to paragraph 10.3 below, tenderers may, in addition to a fully conforming tender, submit an alternative tender.
- (h) Attach. 7. Other documentation and information as may be specified in the Tender Data.

- 10.2 In addition to paragraph 10.1 above, tenders submitted by a joint venture or consortium of two or more firms shall comply with the following requirements:
- (i) the tender shall include all the relevant information as described in paragraph 10.1(c) above for each member firm of the joint venture or consortium;
 - (ii) the tender shall be signed so as to be legally binding on all member firms of the joint venture or consortium;
 - (iii) one of the member firms of the joint venture or consortium, responsible for performing a key component of the contract, shall be nominated as being in charge; this authorisation shall be evidenced by submitting with the tender a power of attorney signed by legally authorised signatories of all the member firms of the joint venture or consortium;
 - (iv) the member firm of the joint venture or consortium in charge shall be authorised to incur liabilities and receive instructions for and on behalf of any and all member firms of the joint venture or consortium, and the entire execution of the contract, including payment, shall be done exclusively with the member firm in charge;
 - (v) all member firms of the joint venture or consortium shall be liable jointly and severally for the execution of the contract in accordance with the contract terms;
 - (vi) a copy of the agreement entered into by the member firms of the joint venture or consortium shall be submitted with the tender.

In order for a joint venture or consortium to qualify, each of its member firms or combination of member firms must meet the minimum criteria listed for an individual tenderer for the component of the contract they are designated to perform. Failure to comply with this requirement will result in rejection of the tender of the joint venture or consortium.

Pursuant to paragraph 3.5, a firm can be a member firm in one joint venture or consortium only; tenders submitted by joint ventures or consortia including the same member firm will be rejected.

- 10.3 Unless specified otherwise in the Tender Data, tenderers are permitted to propose technical or other “alternatives” with their First Stage tenders to those included in the tender documents, provided they can document that the proposed alternatives are to the benefit of the Employer and that they fulfil the principal objectives of the contract.
- 10.4 Any alternative proposed by tenderers in their First Stage tender pursuant to paragraph 10.3 above will be the subject of discussion during a clarification meeting, pursuant to paragraph 19.

10.5 First Stage tenders are technical tenders and shall contain no prices or price schedules or other reference to rates and prices for completing the Facilities. First Stage tenders containing such price information will be rejected.

11. Format and signing of tender

11.1 The tenderer shall prepare an original and the number of copies/sets of the tender specified in the Tender Data, clearly marking each one as: “FIRST STAGE TENDER - ORIGINAL”, “FIRST STAGE TENDER - COPY NO. 1”, “FIRST STAGE TENDER - COPY NO. 2,” etc., as appropriate. In the event of any discrepancy between the original and any copy, the original shall govern.

11.2 The original and all copies of the tender, each comprising the documents specified in paragraph 10.1, shall be typed or written in indelible ink and shall be signed by the tenderer or person(s) duly authorised to sign legally binding documents on behalf of the tenderer. The latter authorisation shall be evidenced by written power of attorney accompanying the tender. All pages of the tender, except for unamended printed literature, shall be initialled by the person or persons signing the tender.

11.3 Any interlineations, erasures or overwriting shall be initialled by the person or persons signing the tender.

Submission of First Stage Tenders

12. Sealing and marking of First Stage tenders

12.1 The tenderer shall seal the original First Stage tender and each copy of the tender in separate envelopes, each containing the documents specified in paragraph 10, and shall mark the envelopes as “FIRST STAGE TENDER - ORIGINAL” and “FIRST STAGE - COPIES”, all duly marked as required in paragraph 11.1. The envelopes shall then be sealed in an outer envelope.

12.2 The inner and outer envelopes shall:

- (a) be addressed to the Employer at the address set forth in the Tender Data; and
- (b) bear the identification specified in the Tender Data.

12.3 The inner envelopes shall also bear the name and address of the tenderer to enable the tender to be returned unopened in case it is declared “late”, pursuant to paragraph 14.

12.4 If the outer envelope is not sealed and marked as required by paragraphs 12.1, 12.2, and 12.3, the Employer will assume no responsibility for the misplacement or premature opening of the tender. If the outer envelope discloses the tenderer’s identity, the Employer will not guarantee the anonymity of the tender submission but such disclosure will not constitute grounds for tender rejection.

13. Deadline for submission of First Stage tenders

- 13.1 First Stage tenders must be received by the Employer at the address specified in paragraph 12.2 no later than the time and date stated in the Tender Data.
- 13.2 The Employer may extend this tender submission deadline by amending the tender documents in accordance with paragraph 8.1, in which case all rights and obligations of Employer and tenderers previously subject to the deadline will thereafter be subject to the deadline as extended.

14. Late tenders

- 14.1 Any tender received by the Employer after the tender submission deadline may be rejected and returned unopened to the tenderer.

First Stage Tender Opening and Evaluation

15. Opening of First Stage tenders by Employer

- 15.1 The Employer will open all First Stage tenders in the presence of tenderers' representatives who choose to attend, immediately after the deadline for submission. The tenderers' representatives who are present shall sign a register evidencing their attendance.
- 15.2 The names of all tenderers who submitted First Stage tenders and the presence of any alternatives will be read out.
- 15.3 The Employer will prepare minutes of the tender opening, including the information disclosed to those present in accordance with paragraph 15.2.

16. Preliminary examination of First Stage tenders

- 16.1 The Employer will examine the tenders to determine whether they are complete, whether the documents have been properly signed, and whether the tenders are generally in order. Any tenders found to be non-responsive for any reason, or tenders not meeting the minimum levels of performance or other criteria specified in the tender documents will be rejected by the Employer and not included for further consideration. The Employer will also carry out a preliminary examination of any alternative tenders submitted by tenderers.

17. Evaluation of First Stage tender

- 17.1 The Employer will carry out a detailed evaluation of the tenders which satisfy the preliminary examination pursuant to paragraph 16 above, in order to determine whether the tender proposals are substantially responsive to the requirements set forth in the tender documents. In order to reach such a determination, the Employer will examine all aspects of the tenders, including any deviations from or modifications to the main tender, based on the information supplied by the tenderers, taking into account the factors specified in the Tender Data.

- 17.2 The Employer will also review complete technical alternatives, if any, offered by tenderers pursuant to paragraph 10.3 to determine whether such alternatives may constitute an acceptable basis for a Second Stage tender to be submitted on their own merits.

18. Qualification

- 18.1 In the absence of prequalification, the Employer will ascertain to its satisfaction whether tenderers determined as having submitted responsive First Stage tenders are qualified to perform the contract satisfactorily.
- 18.2 The Employer will take into account the tenderers' financial, technical and production capabilities, past performance and the minimum qualifying criteria referred to in paragraph 3.2. The determination of tenderers' qualifications will be based upon an examination of documentary evidence submitted by the tenderers, pursuant to paragraph 10.1(c), as well as such other information as the Employer deems necessary and appropriate.
- 18.3 Following an affirmative determination the Employer may invite the tenderer to a clarification meeting in accordance with paragraph 19. A negative determination will result in rejection of the tenderer's tender.

Clarification Meeting

19. Clarification of First Stage tenders and review of tenderers' proposed deviations and alternative solutions

- 19.1 The Employer may conduct clarification meetings with each or any tenderer to clarify any aspects of its First Stage tender that require explanation.

During these meetings, the Employer may also bring to the attention of the tenderer any amendments or changes to the First Stage tender, technical or otherwise, which the Employer may require. All such amendments or changes will be listed in an Annex to the Memorandum documenting the clarification meeting entitled "Changes Required Pursuant to First Stage Evaluation" and will be formally notified to the tenderer as part of the invitation to submit a Second Stage tender.

- 19.2 The Employer will also advise the tenderer of any exceptions or deviations in the First Stage tender that are unacceptable and that are to be withdrawn in the Second Stage tender, and of such exceptions or deviations that the Employer finds acceptable.
- 19.3 The Employer will also review any alternatives offered by the tenderer, if such alternatives are permitted, and will identify the degree (if any) to which such alternatives may be incorporated in the tenderer's Second Stage tender.

20. Invitation to submit Second Stage tenders

20.1 At the end of the First Stage evaluation and after holding clarification meetings, the Employer will:

- (a) issue an amendment to the tender documents modifying *inter alia* and as needed, the evaluation criteria or other sections of the Instructions to Tenderers, the Particular Conditions of Contract, and the Technical Specifications resulting from the First Stage evaluation and clarification meetings, with the objective of enhancing competition without compromising essential project objectives; and
- (b) either
 - (i) invite a tenderer to submit an updated technical and commercial Second Stage tender based on the modifications (if any) listed in the “Changes Required Pursuant to First Stage Evaluation” Annex to the Memorandum of the clarification meeting held with the tenderer; or
 - (ii) invite a tenderer to submit an updated technical and commercial Second Stage tender based on an alternative proposed by the tenderer in its First Stage tender with the modifications (if any) listed in the “Changes Required Pursuant to First Stage Evaluation” Annex to the Memorandum of the clarification meeting held with the tenderer; or
 - (iii) On the same date as inviting Tenderers in accordance with paragraph 20.1 (b) (i) or (ii) above, notify a tenderer that its tender has been rejected as substantially non-responsive, or that the tenderer does not meet the minimum qualification requirements set forth in the tender documents. This notification must also include the following information: (i) name of each Tenderer who submitted a First Stage Tender; (ii) names of Tenderers who are invited to submit Second Stage Tenders; and (iii) names of Tenderers whose Tenders were rejected and the generic reasons for their rejection.

In addition to the above information, the Employer shall provide each unsuccessful tenderer individually with the particularities of the detailed reasons for the rejection of their respective tender.

After this notification, unsuccessful Tenderers may request in writing to the Employer for a debriefing seeking further explanations on the grounds on which their Tenders were not successful. Upon receiving such a request, the Employer shall promptly, and in any case within two weeks, arrange a debriefing.

20.2 The deadline for submission of Second Stage tenders will be specified in the invitation to submit Second Stage tenders.

Preparation of Second Stage Tenders

21. Documents comprising the Second Stage tender

21.1 A Second Stage tender submitted in accordance with these Instructions to Tenderers shall comprise the following:

- (a) A Tender Form - Second Stage (in the format indicated in Vol. I.iii) duly completed in the manner and detail indicated therein and signed by the tenderer.
- (b) Attach. 1. Price Schedules (in the format indicated in Volume I.viii) duly completed by the tenderer in the manner and detail indicated therein and following the requirements of paragraphs 22 and 23.
- (c) Attach. 2. Power of Attorney duly authorised by a notary public, confirming that the person(s) signing the tender have the authority to sign the tender and that the tender is binding upon the tenderer.
- (d) Attach. 3. Tender Security, furnished in accordance with paragraph 25.
- (e) Attach. 4. A copy of the Memorandum of the clarification meeting held with the tenderer.
- (f) Attach. 5. The updated Technical Tender, consisting of updated Technical Specifications and Drawings and any other technical revisions required for the First Stage tender as recorded in the Memorandum of the clarification meeting;
- (g) Attach. 6. Qualification of Tenderer - any changes that may have occurred between the time of submitting the First and Second Stage tenders that have any material effect on the tenderer's qualifications to perform the contract.
- (h) Attach. 7. Conformity of Facilities - documentary evidence establishing that any additional or varied Facilities to be supplied and installed by the tenderer, as set forth in the Memorandum of the clarification meeting, are technically acceptable.

The documentary evidence of the conformity of the Facilities to the requirements of the Memorandum of the clarification meeting may be in the form of literature, drawings and other data.

- (i) Attach. 8. Subcontractors Proposed by the Tenderer - if the tenderer proposes to engage any subcontractors in addition to those named in its First Stage tender, it shall give details of the name and nationality of the proposed subcontractor, including vendors, and the part of the Facilities it proposes to subcontract to or purchase from them. Tenderers are free to list more than one subcontractor against each item of the Facilities. Quoted rates and prices will be deemed to apply whichever subcontractor is appointed, and no adjustment of the rates and prices will be permitted.

The Employer reserves the right to reject any proposed subcontractor prior to award of contract. After discussion between the Employer and the Contractor, a list of the approved subcontractors for each item of work shall be attached to the Contract Agreement.

- (j) Attach. 9. Other documentation and information which may be specified in the Tender Data.

22. Tender prices

22.1 Unless otherwise specified in the Tender Data and/or the Technical Specifications, tenderers shall quote for the entire Facilities on a “single responsibility” basis such that the total tender price covers all obligations of the Contractor pursuant to or to be reasonably inferred from the tender documents in respect of the design, manufacture, including procurement and subcontracting (if any), delivery, construction, installation and completion of the Facilities. This includes all requirements under the Contractor’s responsibilities for the testing, precommissioning and commissioning of the Facilities, and where so required by the tender documents, the obtaining of all permits, approvals and licences etc., operation, maintenance and training services and such other items and services as may be specified in the tender documents, all in accordance with the requirements of the Conditions of Contract.

22.2 Tenderers shall provide a breakdown of the prices in the manner and detail called for in the Price Schedules. Where no Price Schedules are included in the tender documents, tenderers shall present their prices in the following manner:

Separate numbered Schedules shall be used for each of the following elements. The total amount from each Schedule (1 to 4) shall be summarised in a Grand Summary (Schedule 5) giving the total tender price(s) to be entered in the Tender Form.

Schedule No. 1	Plant and Equipment (including mandatory spare parts) supplied from abroad;
Schedule No. 2	Plant and Equipment (including mandatory spare parts) supplied from within the Employer’s country;
Schedule No. 3	Local Transportation
Schedule No. 4	Installation and Other Services
Schedule No. 5	Grand Summary (Schedules Nos. 1 to 4)
Schedule No. 6	Recommended Spare Parts
Schedule No. 7	Optional items

Tenderers shall note that the Plant and Equipment included in Schedules Nos. 1 and 2 above exclude materials used for civil, building and other construction works. All

such materials shall be included and priced under Schedule No. 4, Installation and Other Services.

22.3 In the Schedules, tenderers shall give the required details and a breakdown of their prices as follows:

- (a) Plant and Equipment to be supplied from abroad (Schedule No. 1) shall be quoted on a CIP border point basis or CIP named place and other Incoterms as specified in the Tender Data, exclusive of any customs duties or other similar import taxes payable on the imported Plant and Equipment.
- (b) Plant and Equipment manufactured or fabricated within the Employer's country (Schedule No. 2) shall be quoted on an EXW basis and shall be inclusive of all costs as well as duties and sales and other taxes paid or payable on components and raw materials incorporated or to be incorporated in the Plant and Equipment.
- (c) Any customs duties or other similar import taxes paid or payable on directly imported components incorporated or to be incorporated in the Plant and Equipment manufactured or fabricated within the Employer's country.
- (d) Local transportation, insurance and other local costs incidental to delivery of the Plant and Equipment to the Site (Schedule No.3).
- (e) Installation and other services shall be quoted separately (Schedule No. 4) and shall provide for all labour, contractor's Equipment, temporary works, materials, consumables and all matters and things of whatsoever nature, including operations and maintenance services, the provision of operations and maintenance manuals, training. etc. where identified in the tender documents as necessary for the proper execution of the installation and other services, including all taxes, duties, levies and charges payable in the Employer's country as of twenty-eight (28) days prior to the deadline for submission of tenders;
- (f) Recommended spare parts shall be quoted separately (Schedule No. 6) as specified in either subparagraph (a) or (b) above, in accordance with the origin of the spare parts.

22.4 The terms EXW, CIP, etc., shall be governed by the rules prescribed in the current edition of *Incoterms*, published by the International Chamber of Commerce, Paris.

22.5 Unless specified otherwise in the Tender Data, prices quoted by the tenderer shall be fixed for the time period during which the contract is performed should it be awarded to the tenderer and shall not be subject to variation for any reason. A tender submitted with an adjustable price quotation which is not consistent with this paragraph shall be treated as non-responsive and rejected.

23. Tender currencies

- 23.1 Unless specified otherwise in the Tender Data, prices shall be quoted in the following currencies:
- (a) For Plant and Equipment covered under subparagraph 22.3(a) to be supplied from abroad, the prices shall be quoted in any convertible currency or currencies including euro or a combination thereof.²
 - (b) For Plant and Equipment covered under subparagraph 22.3(b) to be supplied from within the Employer's country, the prices shall be quoted in the currency of the Employer's country. However, the costs of directly imported components incorporated or to be incorporated in the Plant and Equipment may be quoted in foreign currency and in accordance with the provisions of subparagraph 23.1(a).
 - (c) Local transportation, insurance and other local costs incidental to delivery of the Plant and Equipment covered under subparagraph 22.3(d) shall be quoted in either foreign and/or local currency, depending upon the currency in which the costs are to be incurred and in accordance with the provisions of subparagraphs 23.1(a) and (b).
 - (d) Installation and other services covered under subparagraph 23.3(e) shall be quoted in either foreign and/or local currency, depending upon the currency in which the costs are to be incurred and in accordance with the provisions of subparagraphs 23.1(a) and (b).

24. Tender validity period

- 24.1 Second Stage tenders shall remain valid for the period specified in the Tender Data, after the closing date for the receipt of Second Stage tenders prescribed by the Employer, pursuant to paragraph 28.1. A tender valid for a shorter period shall be rejected by the Employer as non-responsive.
- 24.2 In exceptional circumstances, the Employer may solicit the tenderer's consent to an extension of the tender validity period. The request and responses thereto shall be made in writing or by fax. If a tenderer agrees to extend the period of validity, the Tender Security shall also be extended accordingly. A tenderer may refuse the request without forfeiting its Tender Security. A tenderer granting the request will not be required nor permitted to modify its tender, except as provided in paragraph 24.3.
- 24.3 Where the tender is for a fixed price contract (not subject to price adjustment), if the tender validity period is so extended, the amounts payable in both local and foreign currency to the tenderer selected for award shall be increased by applying the factors specified in the Tender Data to both the local and the foreign currency component of the payments, respectively, for the period of delay beyond the expiration of the initial tender validity up to the time of notification of award. Tender evaluation will be based on the tender prices without considering this adjustment.

² Amended as part of Corrigendum No. 2, dated 17 February 1999

25. Tender Security

- 25.1 The tenderer shall furnish as part of its tender, a Tender Security in the amount stipulated in the Tender Data, in the currency of the tender, or in the equivalent amount in a freely convertible currency.
- 25.2 The Tender Security shall, at the tenderer's option, be in the form of a certified cheque, letter of credit or a bank guarantee from a reputable bank located in the Employer's country or abroad. The format of the bank guarantee shall be consistent with the form of Tender Security included in the tender documents; other formats may be permitted, subject to prior approval by the Employer. Tender Security shall remain valid for a period of twenty-eight (28) days following the last day of the original tender validity period, and following the last day of any extension of the tender validity period pursuant to paragraph 24.2.
- 25.3 Any tender not accompanied by an acceptable Tender Security shall be treated as non-responsive and rejected. The Tender Security of a joint venture must be in the name of all the member firms in the joint venture or consortium submitting the tender.
- 25.4 The Tender Security of unsuccessful tenderers will be returned as promptly as possible but not later than twenty-eight (28) days after the last day of the tender validity period.
- 25.5 The Tender Security of successful tenderers will be returned when the tenderer has signed the Contract Agreement, and has furnished the required Performance Security.
- 25.6 The Tender Security may be forfeited:
- (a) if a tenderer
 - (i) withdraws its tender during the tender validity period;
 - (ii) refuses to accept the corrections of computational errors in its tender price pursuant to paragraph 34.2; or
 - (iii) invalidates its tender pursuant to paragraph 32.2;
 - (b) in the case of a successful tenderer, if the tenderer fails:
 - (i) to sign the contract in accordance with paragraph 42; or
 - (ii) to furnish Performance Security in accordance with paragraph 43.

26. Format and signing of tender

- 26.1 The tenderer shall prepare an original and the number of copies/sets of the tender as specified in the Tender Data, clearly marking each one as "SECOND STAGE TENDER - ORIGINAL", "SECOND STAGE TENDER - COPY NO.1", "SECOND STAGE TENDER - COPY NO.2", etc. as appropriate. In the event of any discrepancy between the original and any copy, the original shall govern.

- 26.2 The original and all copies of the tender, each consisting of the documents listed in paragraph 21.1, shall be typed or written in indelible ink and shall be signed by the tenderer or person(s) duly authorised to act on behalf of the tenderer. The latter authorisation shall be evidenced by written power of attorney accompanying the tender and submitted pursuant to subparagraph 21.1(c). All pages of the tender, except for unamended printed literature, shall be initialled by the person or persons signing the tender.
- 26.3 Any interlineation, erasures or overwriting only shall be valid if initialled by the person or persons signing the tender.

Submission of Second Stage Tenders

27. Sealing and marking of Second Stage tenders

- 27.1 The tenderers shall place the original and each copy of the tender in separate envelopes, duly marking the envelopes as “SECOND STAGE TENDER - ORIGINAL” and “SECOND STAGE TENDER - COPIES”. These envelopes shall be placed in an outer envelope.
- 27.2 The inner and outer envelopes shall be sealed and:
- (a) addressed to the Employer with the address given in the Tender Data; and
 - (b) bear the identification specified in the Tender Data .
- 27.3 The inner envelopes shall also bear the name and address of the tenderer so that the tender can be returned unopened in case it is declared “late”.
- 27.4 If the outer envelope is not sealed and marked as required by paragraph 27 above, the Employer will assume no responsibility for the tender’s misplacement or premature opening of the tender. If the outer envelope discloses the tenderer’s identity, the Employer will not guarantee the anonymity of the tender submission, but such disclosure will not constitute grounds for rejection of the tender.

28. Deadline for submission of tenders

- 28.1 Second Stage tenders must be received by the Employer at the address specified in paragraph 27.2 no later than the time and date stated in the Letter of Invitation to submit a Second Stage tender.
- 28.2 The Employer may extend this tender submission deadline by amending the tender documents in accordance with paragraph 8, in which case all rights and obligations of the Employer and tenderers previously subject to the deadline will thereafter be subject to the deadline as extended.

29. Late tenders

29.1 Any tender received by the Employer after the tender submission deadline will be rejected and returned unopened to the tenderer.

30. Modification and withdrawal of tenders

30.1 The tenderer may modify or withdraw its Second Stage tender after submission, provided that written notice of the modification or withdrawal is received by the Employer prior to the tender submission deadline.

30.2 Modifications of a tender shall be prepared, sealed, marked and dispatched as follows:

(a) The tenderer shall provide an original and the number of copies specified in paragraph 26.1 of any modifications to its tender, clearly identified as such, in two inner envelopes, duly marking the envelopes as “SECOND STAGE TENDER MODIFICATIONS - ORIGINAL” and “SECOND STAGE TENDER MODIFICATIONS - COPIES”. The envelopes shall be sealed in an outer envelope, duly marking the envelope as “SECOND STAGE TENDER MODIFICATIONS”.

(b) Other provisions concerning the numbers, marking and dispatch of tender modifications shall be in accordance with paragraph 27.

30.3 A tenderer wishing to withdraw its tender shall notify the Employer in writing prior to the tender submission deadline. A withdrawal notice may also be sent by fax, but it must be followed by a signed confirmation copy, postmarked not later than the tender submission deadline. The notice of withdrawal shall:

(a) be addressed to the Employer at the address specified in subparagraph 27.2(a); and

(b) bear the contract name and the words “SECOND STAGE TENDER WITHDRAWAL NOTICE”. Tender withdrawal notices received after the tender submission deadline will be ignored, and the submitted tender will be deemed to be a validly submitted tender.

30.4 No Second Stage tender may be modified or withdrawn in the interval between the tender submission deadline and the expiration of the tender validity period specified in paragraph 24.1. Withdrawal of a Second Stage tender during this interval may result in the tenderer’s forfeiture of its Tender Security, pursuant to paragraph 25.6.

Second Stage Tender Opening and Evaluation

31. Opening of Second Stage tenders by Employer

31.1 The Employer will open the Second Stage tenders in the presence of the tenderers’ representatives who choose to attend the opening, at the time, on the date and at the location specified in the Letter of Invitation to submit Second Stage tenders. The tenderers’ representatives who are present shall sign a register evidencing their attendance.

- 31.2 Tenderers' names, tender modifications or withdrawals, tender prices, discounts, alternative tender prices (if any), the presence or absence of the required Tender Security, and other details as the Employer, at its discretion, may consider appropriate, will be announced at tender opening. No tender will be rejected at tender opening except for late tenders, which will be returned unopened to the tenderer, pursuant to paragraph 29.
- 31.3 Tender discounts or modifications furnished pursuant to paragraph 30 that are not opened, read out and recorded at tender opening will not be considered for tender evaluation. Withdrawn tenders will be returned unopened to the tenderers.
- 31.4 The Employer will prepare minutes of the tender opening, including the information disclosed to those present in accordance with paragraph 31.2.

32. Contacting the Employer

- 32.1 Subject to paragraph 33.1, no tenderer shall contact the Employer on any matter relating to its tender, from the time of Second Stage tender opening to the time the contract is awarded.
- 32.2 Any effort by a tenderer to influence the Employer's tender evaluation or award decisions, including the offering or giving of bribes, gifts or other inducement, may result in the invalidation of its tender and the forfeiture of its Tender Security, pursuant to paragraph 25.6.

33. Clarification of tenders

- 33.1 To assist in the examination, evaluation and comparison of tenders the Employer may, at its discretion, ask a tenderer for a clarification of its tender. Such clarification may be requested at any stage up to the award of the contract. Requests for clarification and responses thereto shall be in writing or by fax, and no change in the price or substance of the tender shall be sought, offered or permitted except as required to confirm the correction of computational errors determined by the Employer in the examination of the tenders in accordance with paragraph 34.2.

34. Preliminary examination of Second Stage tenders

- 34.1 The Employer will examine the Second Stage tenders to determine whether they are complete, whether any computational errors have been made, whether required Tender Securities have been furnished, whether the documents have been properly signed, and whether the tenders are generally in order.
- 34.2 Computational errors will be rectified on the following basis. If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, or between subtotals and the total price, the unit or subtotal price shall prevail and the total price shall be corrected. If there is a discrepancy between words and figures, the amount in words shall prevail. If the tenderer does not accept the correction of errors, its tender will be rejected and its tender security may be forfeited.

- 34.3 The Employer may waive any minor informality, non-conformity or irregularity in a tender that does not constitute a material deviation, and that does not prejudice or affect the relative ranking of any tenderer as a result of the detailed evaluation pursuant to paragraphs 36 and 37.
- 34.4 Prior to the detailed evaluation pursuant to paragraphs 36 and 37 the Employer will determine whether each tender is of acceptable quality, is complete, is substantially responsive to the tender documents and has properly incorporated all the modifications listed in the “Changes Required Pursuant to First Stage Evaluation”. For purposes of this determination, a substantially responsive tender is one that conforms to all terms and conditions of the tender documents and the “Changes Required Pursuant to First Stage Evaluation” without material deviations, objections or reservations. A material deviation, objection, or reservation is one (i) that affects in any substantial way the scope, quality or performance of the contract; (ii) that limits in any substantial way, inconsistent with the tender documents, the Employer’s rights or the successful tenderer’s obligations under the contract; or (iii) whose rectification would unfairly affect the competitive position of other tenderers who are presenting substantially responsive tenders.
- 34.5 A Second Stage tender containing technical or commercial deviations or alternatives not submitted as part of the First Stage tender will be treated as non-responsive. The Employer’s determination of the responsiveness of a tender is to be based on the contents of the tender itself without recourse to extrinsic evidence.
- 34.6 If a Second Stage tender is not substantially responsive, it will be rejected by the Employer and may not subsequently be rendered responsive by the tenderer by correction or withdrawal of the non-conformity.

35. Conversion to single currency

- 35.1 To facilitate evaluation and comparison of tenders, the Employer will convert all tender prices expressed in various currencies into a single common currency as specified in the Tender Data.

36. Technical evaluation of Second Stage tender

- 36.1 The Employer will carry out a detailed technical evaluation of the Second Stage tenders not previously rejected as being substantially non-responsive in order to determine whether technical modifications to the base or alternative tenders required pursuant to the “Changes Required Pursuant to First Stage Evaluation”, referred to in paragraph 20.1, have been properly addressed and are substantially responsive to the requirements set forth in the tender documents.

37. Commercial evaluation of Second Stage tender

- 37.1 Comparison between tenders shall be based on the EXW price of Plant and Equipment to be supplied from within the Employer’s country, such price to exclude customs

duties and other import taxes paid or payable on directly imported components incorporated or to be incorporated in such Plant and Equipment, and the CIP (border point or named place of destination) price of Plant and Equipment to be supplied from outside the Employer's country; plus the cost of local transportation, installation and other services to be provided under the contract. The Employer's evaluation will also include the costs resulting from application of the evaluation factors pursuant to paragraph 37.2.

37.2 The Employer's evaluation of a tender will take into account, in addition to the tender prices indicated in the Price Schedules, additional factors specified in the Tender Data.

37.3 Any adjustments in price which result from application of the above evaluation factors shall be added, for the purposes of comparative evaluation only, to arrive at the "Evaluated Tender Price". Tender prices quoted by tenderers shall remain unaltered.

38. Changes in qualification status

38.1 Prior to proceeding with the award of contract to the tenderer determined as having submitted the lowest evaluated and responsive Second Stage tender, the Employer will determine to its satisfaction that the tenderer is still qualified to satisfactorily perform the contract. In particular, the Employer shall consider the tenderer's contract work in hand, future commitments, current litigations or other circumstances that have arisen or intervened since the submission of the First and Second Stage tenders that would change the tenderer's qualifications.

38.2 An affirmative determination will be a prerequisite for award of the contract to the tenderer. A negative determination will result in rejection of the tenderer's tender, in which event the Employer will proceed to the next lowest evaluated tender to make a similar determination of that tenderer's capabilities to perform satisfactorily.

38.3 The capabilities of the vendors and subcontractors proposed to be used by the lowest evaluated tenderer will also be evaluated. Their participation should be confirmed by a letter of intent or similar documentary evidence.. Should a vendor or subcontractor be determined to be unacceptable, the tenderer will not be rejected, but will be required to substitute an acceptable vendor or subcontractor without any change to the tender price.

39. Employer's right to accept any tender and to reject any or all tenders

39.1 The Employer reserves the right to accept or reject any First or Second Stage tender, and to annul the tender process and reject all tenders at any time prior to award of contract, without incurring any liability to any tenderer or tenderers or any obligation to inform any tenderer or tenderers of the grounds for the Employer's action.

Award of Contract

40. Award criteria

40.1 Subject to paragraph 39, the Employer will award the contract to the successful tenderer whose Second Stage tender has been determined to be substantially responsive and has been determined as the lowest evaluated tender, provided further that the tenderer is determined to be qualified to perform the contract satisfactorily.

41. Notification of award

41.1 Prior to the expiration of the Second Stage tender validity period, the Employer will notify the successful tenderer in writing that its Second Stage tender has been accepted. The notification of award will constitute the formation of the contract.

41.2 On the same date as notifying the successful tenderer, the Employer shall also notify all other tenderers of the results of the Tendering, identifying the Tender, the resulting contract title and the following information: (i) name of each tenderer who submitted a Tender; (ii) Tender prices as read out at Tender opening; (iii) name and evaluated prices of each Tender that was evaluated; (iv) names of tenderers whose Tenders were rejected; and (v) name of the winning tenderer, and the contract price, as well as the duration and the title of the contract awarded. At the same time, the Employer shall send the above information for publication on the Bank's website.

In addition to the above information, the Employer shall provide each unsuccessful tenderer individually with the particularities of the calculation of their respective evaluated tender price or the detailed reasons for the rejection of their respective tender, as appropriate.

After notification of the award, unsuccessful tenderers may request in writing to the Employer for a debriefing seeking further explanations on the grounds on which their Second Stage Tenders were not selected. Upon receiving such a request, the Employer shall promptly, and in any case within two weeks, arrange a debriefing.

42. Signing of Contract Agreement

42.1 At the same time as the Employer notifies the successful tenderer that its Second Stage tender has been accepted, the Employer will send the tenderer the Contract Agreement provided in the tender documents, incorporating all terms and conditions agreed between the parties.

42.2 Within twenty-eight (28) days of receipt of the Contract Agreement, the successful tenderer shall sign and date the Contract Agreement and return it to the Employer.

43. Performance Security

43.1 Within twenty-eight (28) days of receipt of the notification of award, the successful tenderer shall furnish the Performance Security in accordance with the Conditions of Contract in the form provided in Volume II.iv of the tender documents or in another form acceptable to the Employer.

43.2 Failure of the successful tenderer to comply with the requirements of paragraphs. 42 or 43 shall constitute sufficient grounds for the annulment of the award and forfeiture of the Tender Security, in which event the Employer may make the award to the next lowest evaluated tenderer or invite new tenders.

44. Alternative dispute resolution procedure

44.1 The Employer proposes that the Adjudicator provided for in the Conditions of Contract shall be appointed in the manner stipulated in the Tender Data.

45 Prohibited Practices

45.1 The Bank requires that clients (including beneficiaries of Bank loans), as well as tenderers, suppliers, sub-suppliers, contractors, subcontractors, concessionaires and consultants and sub-consultants under Bank-financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, the Bank:

(a) defines, for the purposes of this provision, Prohibited Practice as one or more of the following:

(i) "corrupt practice" means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party.

(ii) "fraudulent practice" means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.

(iii) "coercive practice" means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

(iv) "collusive practice" means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party; and

(v) "theft" means the misappropriation of property belonging to another party.

(vi) "misuse of the Bank's resources" means improper use of the Bank's resources, committed either intentionally or through reckless disregard; and,

(vii) "obstructive practice" means (i) destroying, falsifying, altering or concealing of evidence material to a Bank investigation, which impedes the Bank's investigation; (ii) making false statements to investigators in order to materially impede a Bank investigation into

allegations of a Prohibited Practice; (iii) failing to comply with requests to provide information, documents or records in connection with a Bank investigation; (iv) threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to a Bank investigation or from pursuing the investigation; or (v) materially impeding the exercise of the Bank's contractual rights of audit or inspection or access to information.

(b) will reject a proposal for award if it determines that a tenderer, supplier, subsupplier, contractor, subcontractor, concessionaire, consultant or subconsultant recommended for award has engaged in Prohibited Practices in competing for the contract in question;

(c) will cancel the portion of the Bank financing allocated to a contract for goods, works, services or concessions if it at any time determines that Prohibited Practices were engaged in by representatives of the Borrower or of a beneficiary of the Bank financing during the procurement or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to remedy the situation;

d) may declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded a Bank-financed contract if it at any time determines that the firm has engaged in Prohibited Practices in competing for, or in executing, a Bank-financed contract; and

(e) reserves the right, where a Borrower or a firm has been found by the final judgement of a judicial process in a member country of the Bank or a finding by the enforcement (or similar) mechanism of another international organisation, including Mutual Enforcement Institutions, to have engaged in Prohibited Practices.

(i) to cancel all or part of the Bank financing for such Borrower; and

(ii) to declare that such a firm is ineligible, either indefinitely or for a stated period of time, to be awarded a Bank-financed contract; and

f) will have the right to require that, in contracts financed by the Bank, a provision be included requiring suppliers, subsuppliers, contractors, subcontractors, concessionaires, consultants and sub-consultants to permit the Bank to inspect their accounts and records relating to the performance of the contract and to have them audited by auditors appointed by the Bank.

45.2 Furthermore, tenderers shall be aware of the provisions stated in Sub-Clauses 9.6 and 42.2.1 (c) of the General Conditions of Contract.

VOLUME I.ii

TENDER DATA

The following tender-specific data for the Facilities to be procured amend and/or supplement the provisions in the Instructions to Tenderers. Whenever there is a conflict, the provisions herein shall prevail over those in the Instructions to Tenderers.

Instructions to Tenderers - para. ref.

para. 1.1: Name of Employer

Zvolenská teplárenská, a.s.

para. 3.1: Eligibility

All goods, works and services to be supplied under the Contract and financed by the Bank, shall have as their country of origin an eligible country of the Bank, in accordance with the Procurement Rules for Projects Financed by International Investment Bank.

para. 3.2: Qualifying requirement

General Experience

The applicant shall have an average annual turnover (defined as annual earnings, expressed in its equivalent of a defined currency) as a contractor over the last 3 years of *EUR 50 (fifty) million* equivalent.

The turnover value in other currencies than the defined currency should be recalculated into that currency based on the exchange rate as of the 1st of July of each year reported, as set by the *National Bank of Slovakia*.

Specific Experience

The applicant shall meet the following minimum criteria:

(a) successful experience as a prime contractor in the execution of at least 1 project of a magnitude comparable to the proposed contract within the last 5 years. For assessment purposes the values of the referred projects shall be not less than the equivalent of *EUR 20 (twenty) million*;

(b) successful experience as a contractor (prime or subcontractor) in the execution of at least 2 projects of a nature and complexity comparable to the proposed contract within the last 7 years. For assessment purposes the referred contracts shall be design & build contracts (FIDIC Yellow Book or similar) for biomass based thermal plants with at least 2 steam boilers each; at least one plant had 2x 15 MWt steam boilers. All presented plants shall be operating at the time of tender submission. The referenced projects can comprise multiple contracts, however all of them shall be with the same client.

In addition, the following specific operations and works experience shall be demonstrated:

Personnel Capabilities

The applicant shall provide suitably qualified personnel to fill the positions listed below. For each position applicants shall supply information in the relevant form (Section III, Prequalification Forms) on a main candidate and an alternate, each of whom should meet the experience requirements specified below:

<i>Position</i>	<i>Total work</i>	<i>In similar works (years)</i>	<i>As manager</i>
<i>Project Manager</i>			
<i>Project Manager (Alt)</i>			
<i>Chief Designer</i>			
<i>Chief Designer (Alt)</i>			

Additional personnel may be required during later stages of the tendering.

Equipment Availability

The applicant shall own, or have assured access to (through hire, lease, purchase agreement, availability of equipment, or other means), all the necessary equipment in full working order, and must demonstrate that it will be available for use in the Contract on the construction site throughout year 2020.

The applicant shall list the equipment in the table below.

<i>Equipment type and characteristics</i>	<i>Number available</i>
<i>1.</i>	
<i>2.</i>	
<i>3.</i>	
<i>4.</i>	
<i>5.</i>	

Manufacturing Capacity

The applicant shall demonstrate that it or his manufacturer/supplier/vendor has the manufacturing capacity to produce the required equipment (boilers and related equipment and materials) during *6 months after signing the contract*, taking into account the applicant's commitments in other contracts.

The applicant shall list available manufacturing lines/equipment in full working order, and must demonstrate that they will be available for use in the Contract immediately after contract signature (no later than November 2019).

<i>Manufacturing lines</i>	<i>Capacity available</i>
<i>1.</i>	
<i>2.</i>	
<i>3.</i>	

Financial Position

The applicant shall demonstrate that it has access to, or has available, liquid assets, unencumbered real assets, lines of credit, and other financial means sufficient to meet the construction cash flow for the contract for a period of 3 months, estimated as not less than EUR 8 million (eight million euros) equivalent, taking into account the applicant's commitments for other contracts.

In case the applicant uses other currency, the calculations shall be based on the exchange rate, as set by *the National Bank of Slovakia* on the date of publication of the Invitation for Prequalification.

The submitted annual financial statements for the 3 years must demonstrate the soundness of the applicant's financial position, showing long term profitability. Consistent losses or a risk of insolvency shown in the accounts may be cause for the disqualification of the applicant.

To facilitate the assessment of information the applicants shall submit a summary of assets and liabilities, expressed in an equivalent of *EUR* converted based on the exchange rate reported as of the 1st of July of each year, as set by *the National Bank of Slovakia*.

Based upon known commitments, the applicants shall also provide a summary of the projected assets and liabilities for the next 2 years, expressed in its equivalent of *EUR* converted based on the exchange rate as of the date of publication of the Invitation for Prequalification, as set by the National Bank of Slovakia, unless the withholding of such information is justified by the Applicant to the satisfaction of the Client.

Where necessary, the Client may make inquiries with the applicant's banks.

Non-performance History

A consistent history of litigation and/or arbitration awards against the applicant or any partner of a joint venture or their non-performance under the contracts may result in failure of the application.

Moreover, if an applicant is formally debarred from contracting activities by the law or official regulation of the Client's country or by the Bank, and the Client may not enter into a contract with such applicant, the Client may reject the application.

Current Obligations and Pending Awards

The applicant shall have the above mentioned resources free of ongoing obligations and/or pending contract awards.

The applicant shall provide information on the on-going contractual obligations and pending contract awards.

The Client may reject the application if the level of the confirmed commitments to be carried out in parallel with the Contract exceeds the applicant's annual turnover for the previous year by a factor of 1.2.

para. 5.1: Pre-tender meeting or site visit

22.11.2019, 9:00 at Zvolenská teplárenská

Additional site visit without pre-tender meeting will be organized on 5.12.2019, 9:00 at Zvolenská teplárenská.

para. 6.1: Other documents comprising the tender documents

The attachments to the tender documents are listed in Vol. III - Drawings

para. 7.1: Clarification of tender documents and employer's mailing address

Deadline for submission of requests for clarification to tender document is set 14 days prior to the submission of first stage tenders, which is 27.11.2019 using the Employer's contact details below.

Zvolenská teplárenská, a.s.

RNDr. Miroslav Duplinský
Member of the Board of Directors and
Director of Production and Maintenance
Lučenecká cesta 25
961 50 Zvolen
Slovakia

Tel.: + 421 903 457 638
E-mail: duplinsky@zvtp.sk

para. 9.1: Language of the tender

English

FIRST STAGE TENDER

para. 10.1: Documentary evidence to be submitted

para 10.1(a): The Tender Form - First Stage and Attachment 1 to the Tender Form – Covenant of Integrity (in the format indicated in Volume I.iii), duly completed in the manner and detail indicated therein and signed by the tenderer.

para 10.1(b): Attach. 1. Power of Attorney duly authorised by a notary public, indicating that the person(s) signing the tender have the authority to sign the tender and that the tender is binding upon the tenderer.

para. 10.1(c): Qualification of tenderer only in case of applicants being conditionally prequalified subject to request for submission of additional documents

para. 10.1(d): Conformity of Facilities

The documentary evidence of the conformity of the facilities to the tender documents may be in the form of literature, drawings and other data, and shall contain:

- (i) a detailed description of the essential technical and performance characteristics of the Facilities;
- (ii) a list giving full particulars, including available sources, of all spare parts, special tools, etc., necessary for the proper and continuing functioning of the Facilities for a period of 20 years following Completion of the Facilities in accordance with the provisions of the contract; and
- (iii) commentary on the Employer's Technical Specifications and adequate evidence demonstrating the substantial responsiveness of the Facilities to those specifications. Tenderers shall note that the standards for skill, materials and Equipment designated by the Employer in the tender documents are intended to be descriptive (establishing standards of quality and performance) only and not restrictive. A tenderer may substitute alternative standards, brand names and/or catalogue numbers in its tender, provided that it demonstrates to the Employer's satisfaction that the substitutions are substantial, equivalent or superior to those designated in the Technical Specifications (Volume III).

Para 10.1(e): Attach. 4. Subcontractors Proposed by the Tenderer - the tenderer shall include details of all major items of goods or services that it proposes to purchase or subcontract, giving details of the proposed subcontractors for each of these items. Tenderers are free to list more than one subcontractor for each item of the Facilities. In case the tenderer nominates new subcontractors beyond those listed in the prequalification application, for those shall be provided also qualification documents required by the qualification criteria from the Prequalification document (para 22.6 of the Prequalification document).

The tenderer shall have been duly authorised by the manufacturer or producer of all subcontracted Plant, Equipment or components to supply and/or install the relevant items in the Employer's country.

The tenderer shall be responsible for ensuring that any proposed subcontractor complies with the requirements of paragraph 3, and that any Plant, Equipment or services to be provided by the subcontractor comply with the tender documents.

The Employer reserves the right to reject any proposed subcontractor prior to or during the clarification meeting with the tenderer.

Para 10.1(f): Attach. 5. Deviations - any deviations to the tender document requirements shall be listed only in Attach. 5. The Employer reserves the right to accept or reject any deviations. Tenderers shall provide separately details of deviations, objections or reservations, other than alternatives, from the requirements of the tender documents that they would like to be considered by the Employer during an eventual clarification meeting. The Employer will consider all such deviations. Those that it accepts will be incorporated into the Annex of the Memorandum referred to in paragraph 19.1. Those rejected must be formally withdrawn by that tenderer in its Second Stage tender, failing which the tender will be rejected.

Para 10.1(g): Attach. 6. Alternative Tenders - if permitted pursuant to paragraph 10.3 below, tenderers may, in addition to a fully conforming tender, submit an alternative tender.

para. 10.1(h): Other documentation No other documentation is required, although the Employer reserves the right to request additional documentation during the tender evaluation and clarification meetings.

para. 10.3: Technical alternatives No alternative tenders are permitted.

para. 11.1: Number of copies of tender 1 original and 3 copies.
Each copy shall be accompanied with a CD where both editable and non-editable copies of documents and

descriptions establishing conformity of facilities as per 10.1(d) shall be provided.

para. 12.2(a): Address of Employer

Zvolenská teplárenská, a.s.
Lučenecká cesta 25
961 50 Zvolen
Slovakia

para. 12.2(b): Tender identification

The tenderer shall record on the tender envelope the Employer's name and address, the tender identification and the words "DO NOT OPEN BEFORE 19.12.2019, 11:00"

para. 13.1: Deadline for submission of First Stage tenders

19.12.2019, 11:00 Zvolen time

para. 17.1: Factors in evaluation of First Stage tenders

The Employer's evaluation of a First Stage tender will take into account:

- (a) overall completeness and compliance with the Technical Specifications and Drawings; the technical merits of alternatives offered and deviations from the Technical Specifications; suitability of the Facilities offered in respect of the environmental and climactic conditions prevailing at the site; quality, function and operation of any process control concept included in the tender;
- (b) achievement by the Facilities of specified performance criteria;
- (c) compliance with any time schedules specified in the tender documents and any alternative time schedules offered by tenderers, as evidenced by the milestone schedule provided in the tender;
- (d) type, quantity and long-term availability of mandatory and recommended spare parts and maintenance services;
- (e) any other relevant technical factors deemed necessary or prudent to be considered;
- (f) any deviations to the commercial and contractual provisions stipulated in the tender documents. A deviation taken to Governing Law, Taxes and Duties), Defect Liability), Functional Guarantee, Patent Indemnity or Limitation of Liability would be unacceptable and would have to be withdrawn;
- (g) alternative terms of payment to those specified in the tender documents;
- (h) the projected operating and maintenance requirements during the life of the facilities;
- (i) the performance and productivity of the facilities offered;
- (j) the extent of the need for training associated with different tenders; and
- (k) the extent of the work, services, facilities, etc. needed from the Employer or third parties in connection with each tender.

SECOND STAGE TENDER

para. 21.1(j): Other documentation

The Employer reserves the right to request additional documentation following the tender evaluation and clarification meetings.

The Tenderer shall provide documents listed under para 21.1 from Volume I.i of Instructions to Tenderers. The revised technical offer shall be in structure mirroring the structure of the First stage tender as defined under para 10.1 from Volume I.ii of Tender Data and technical requirements (Vol. III of TD), preferably by using the same table copied from the TD, detailing the parameters of their offer and indicative quantities in the respective column (making a clear reference to respective technical documentation in annexes and listing subcontractors, if any, which will participate in fulfilling the respective requirement), and stating any non-material deviations or reservations, that have not been rejected in the first stage, in the last column. Failure of the technical offer to follow the structure of technical requirements in this TD may result in rejection of the tender.

The Tenderer shall moreover provide a filled-in operational costs sheet (provided as part of Addendum 3 as Appendix A – Operational cost sheet) in the Microsoft Excel format or compatible (on the CD accompanying the tender) as well as in printed and signed form. The template will be available as an annex to the second-stage TD. The Employer will use the provided data in evaluation of the tender as well as in determining performance of the plant during the first 10 years of Facilities operation. Failure of providing the filled out excel table with operational costs may result in rejection of the tender.

para. 22.1: Tender prices

Tender price shall be defined as lump sum contract.

Besides the text mentioned in Volume I.i of the Instructions to Tenderers under para 22.2, the tenderers are obliged to present their prices also in the Price Schedule No.7 – Optional items using the following instructions:

- The prices shall be quoted as turnkey, on DDP basis and shall include all related costs such as labour, contractor's Equipment, temporary works, materials, consumables and all matters and things of whatsoever nature, including operations and maintenance services, the provision of operations and maintenance manuals, trainings, etc.

para. 22.5: Tender prices

Price adjustment. Prices quoted by the tenderer shall be fixed and no adjustments shall be possible during the Contract.

para. 23.1: Tender currencies

Euro

para. 24.1: Tender validity period

90 days

para. 24.3: Extension of tender validity period

The Employer reserves the right to request from Tenderers confirmation of extension of the validity of proposals. For each commenced calendar month of extension of the validity, the tender price shall be increased by 0.2%.

para. 25.1:	Tender Security	600,000.00 Euro (six hundred thousand Euros)
para. 27.1:	Number of copies of tender	1 original and 3 copies
para. 27.2(a):	Address of Employer	Zvolenská teplárenská, a.s. Lučenecká cesta 25 961 50 Zvolen Slovakia
para. 27.2(b):	Tender identification	The tenderer shall enter the Employer's name and address, the tender identification and the words "DO NOT OPEN BEFORE (<i>will be specified upon invitation to second-stage tender</i>)"
para. 35.1:	Conversion to common currency	To facilitate evaluation and comparison, all the prices will be converted to Euro (EUR), using the National Bank of Slovakia exchange rate on the date of Second Stage tender submission deadline.
para. 37.2:	Tender evaluation factors	<p>The Employer's evaluation of a tender will take into account, in addition to the tender prices, the following costs and factors that will be added to each tenderer's prices in the evaluation, using pricing information available to the Employer, in the manner and to the extent indicated below, as well as in the cost evaluation sheet which will be annexed to the second-stage TD; it is assumed that the Tenderer will prepare the most economical solution possible that will result in the lowest evaluated price, using the cost evaluation sheet to support the engineering calculations.</p> <p>(a) the cost of all quantifiable deviations and omissions from the contractual and commercial conditions and the Technical Specifications, as identified by the tenderer in its tender and other deviations and omissions not so identified; for omissions of material components, the average cost of equivalent material components in other submitted tenders shall be added to tender price; if this average is not available, the Employer will use other available pricing information.</p> <p>(b) compliance with the time schedules called for in Appendix 2 to the Contract Agreement and evidence as needed in a milestone schedule provided in the tender; for every week subtracted from proposed schedule of completion and launch of operations of the heat-only boilers (Week 52 – Issuance of Taking Over Certificate, as the maximum beyond which the tender would be rejected), the base submitted tender price shall be decreased by 0.5% for each week less than the default 52 weeks, down to 44 weeks (no further adjustments to submitted price shall be made if the schedule of completion is less than 44 weeks).</p>

- (c) the projected consumption/quantity of biomass in tonnes (of the type specified in Vol. III Requirements) during the first 10 years of the Facilities' operation that will be required to meet the performance requirement and operational targets (based on the heat consumption for average heating season); the cost shall be added to tender price, in current local prices available to the Employer (33 EUR/t).
- (d) the projected consumption of electricity from the grid for operating the plant in entirety in the initial 10 years according to performance requirements and operational targets; the cost shall be added to tender price in current prices available to the Employer (80 EUR/MWhel).
- (e) the projected consumption of natural gas for the initial 10 years of the new plant's operation, to cover the demand in peak periods (based on the heat consumption for average heating season); the cost shall be added to tender price in current local prices available to the Employer (622.5 EUR/th. m3).
- (f) the projected manpower required to operate the plant during the initial 10 years, assuming adequate qualification and participation in training provided by the Tenderer during the commissioning stage; the manpower should be defined in working hours and the cost shall be added to tender price (5 EUR/h).
- (g) the extra cost of work, services, facilities, insurance, maintenance costs (except cleaning of 2 biomass boilers, which will be priced separately in line with para 37.2(h)), including the cost of spare parts for the first 10 years of operation required to be provided by the Employer or third parties; the cost shall be added to tender price based on pricing information provided by the Tenderer.
- (h) additional cost to the Employer related to cleaning of 2 proposed biomass boilers during the first 10 years of operation required to be provided by the supplier or third parties; the cost shall be added to tender price based on pricing information proposed by the Tenderer. At least 2 cleanings per year shall be priced, or more if required.
- (i) the projected consumption/quantity of reagent in tons used for DENOx applied for the proposed technical solution if required to meet the required technical specifications, during the first 10 years of operation. In case of AdBlue used as reagent the cost shall be added to tender price in current prices available to the Employer

(550 EUR/ton); in case of other reagents the price shall be added to tender price based on pricing information available to the Employer.

Operating and maintenance costs calculation during initial 10 years of operation:

Since the operating and maintenance costs of the Facilities being procured form a major part of the costs associated with the Facilities, these costs will be evaluated according to the principles set above, including the cost of spare parts for the initial period of operation stated and based on prices furnished by each tenderer in the relevant Price Schedules, as well as based on past experience with such Facilities. Such costs shall be added to the tender price for evaluation.

Factors for calculation of the operating and maintenance costs:

- (i) 10 years defined as initial period of operation.
- (ii) operating costs (consumption of biomass, electricity, natural gas, and reagent) as described under para 37.2 (c), (d), (e), (i) respectively.
- (iii) projected manpower required to operate the plant (as described under para 37.2(f))
- (iv) the extra cost of work, services, facilities, insurance, maintenance costs (except cleaning of 2 biomass boilers), including the cost of spare parts as described under para 37.2 (g)
- (v) cleaning of 2 proposed biomass boilers during the initial 10 years of operation (as described under 37.2 (h))
- (vi) rate 5% to be used to discount to present value all annual future costs calculated under (ii), (iii), (iv), and (v) above for the period specified in (i);
- (vii) The price of recommended spare parts quoted in Price Schedule No. 6 and price of optional items quoted in Price Schedule No. 7 (except of Option D – costs related to reclassification of the plant as large combustion plant) shall not be considered for evaluation.

Commercial evaluation will be based on the following formula of the evaluation sum (EV):

$$EV = PV0 + PS7OD + \sum_{n=1}^t (Bn * P1 + En * P2 + NGn * P3 + Rn * P4 + Mn * P5 + ECWn + Cn) * \frac{1}{(1+r)^n}$$

Where:

PV0 – quoted tender price adjusted according para 37.2(a), 37.2(b)

PS7OD – quoted price in the Price Schedule 7 under Option D related to reclassification of the plant as large combustion plant

Bn – guaranteed annual biomass consumption of the plant according to para 37.2(c)

En - guaranteed annual electricity consumption of the plant according to para 37.2(d)

NGn - guaranteed annual natural gas consumption of the plant according to para 37.2(e)

Rn - guaranteed annual reagent consumption of the plant according to para 37.2(i)

Mn – annual projected manpower required to operate the plant according to para 37.2(f)

ECWn - extra cost of work, services, facilities, insurance, maintenance costs (except cleaning of 2 biomass boilers), including the cost of spare parts according to para 37.2 (g)

Cn - cleaning of 2 proposed biomass boilers according to para 37.2 (h)

P1 – price of biomass according to para 37.2(c)

P2 – price of electricity according to para 37.2(d)

P3 – price of natural gas according to para 37.2(e)

P4 – price of reagent according to para 37.2(i)

P5 – price of manpower according to para 37.2(f)

r – discount rate applicable as per point (vi) in Operating and maintenance costs calculation during initial 10 years of operation under para 37.2

t – initial period of operation according to point (i) in Operating and maintenance costs calculation during initial 10 years of operation under para 37.2

para. 44.1: Appointment of Adjudicator

The Employer proposes that the Adjudicator shall be designated by the Engineer. The Adjudicator so designated shall be deemed to be jointly appointed by the Employer and the Contractor.

VOLUME I.iii

EXAMPLE:

TENDER FORM - TWO STAGE TENDER - FIRST STAGE TENDER

Date:

Name of Contract:

To: (Name and Address of Employer)

Having examined the tender documents, including Addenda Nos. (*insert numbers*), the receipt of which is hereby acknowledged, we, the undersigned, offer to design, manufacture, test, deliver, install and precommission the Facilities under the above-named Contract in full conformity with the said tender documents.

We further undertake, if invited to do so by you and at our own cost, to attend a clarification meeting at a place of your choice for the purposes of reviewing our First Stage Tender and duly noting all amendments and additions thereto, and omissions therefrom which you may require.

We further undertake, upon receiving your written instruction, to proceed with the preparation of our Second Stage Tender, to update our First Stage Tender in accordance with the requirements as will be contained in the Memorandum of the clarification meeting and to complete our commercial tender for the Facilities in accordance with our updated technical tender.

We agree to abide by this First Stage Tender, which consists of this letter and Attachments 1 through ___ hereto, for a period of (*number*) days from the date fixed for submission of tenders as stipulated in the tender documents, and it, together with the above written undertakings, shall remain binding upon us, provided that we are invited to attend a clarification meeting with you before the expiration of that period.

We acknowledge that Attachment 1 to the Tender Form - Covenant of Integrity, forms part of this Tender Form.

Dated this day of year

.....
(*signature*)

In the capacity of
.....
(*position*)

Duly authorised to sign this Tender for and on behalf of
.....
(*name of tenderer*)

Attachment 1 to Tender Form

COVENANT OF INTEGRITY

To: _____(insert name of Employer)_____

We declare and covenant that neither we nor anyone, including any of our directors, employees, agents, joint venture partners, consultants or sub-contractors, where these exist, acting on our behalf with due authority or with our knowledge or consent, or facilitated by us, has engaged, or will engage, in any Prohibited Practice (as defined below) in connection with the tendering process or in the execution or supply of any works, goods or services for [*insert the name of the contract*] (the “Contract”) and covenant to so inform you if any instance of any such Prohibited Practice shall come to the attention of any person in our organisation having responsibility for ensuring compliance with this Covenant.

We shall, for the duration of the tender process and, if we are successful in our tender, for the duration of the Contract, appoint and maintain in office an officer, who shall be a person reasonably satisfactory to you and to whom you shall have full and immediate access, having the duty, and the necessary powers, to ensure compliance with this Covenant.

We declare and covenant that, except for the matters disclosed in this Covenant of Integrity:

- (i) we, our subsidiaries and affiliates, and all of our directors, employees, agents or joint venture partners, where these exist, have not been convicted in any court of any offence involving a Prohibited Practice in connection with any tendering process or provision of works, goods or services during the ten years immediately preceding the date of this Covenant;
- (ii) none of our directors, employees, agents or a representatives of a joint venture partner, where these exist, has been dismissed or has resigned from any employment on the grounds of being implicated in any Prohibited Practice;
- (iii) we, our subsidiaries and affiliates and our directors, employees, agents or joint venture partners, where these exist, are not prohibited from participation in a tendering procedure on the grounds of having been found by the final judgement of a judicial process or a finding by the enforcement (or similar) mechanism of another international organisation to have engaged in a Prohibited Practice;
- (iv) we, our subsidiaries and affiliates, as well as any subcontractors, or suppliers or affiliates of the subcontracts or supplier are not subject to any sanction imposed by resolution of the United Nations Security Council.

If applicable, provide full disclosure of any convictions, dismissal, resignations, exclusions or other information relevant to Articles i) ii) iii) or (iv) in the box below.

Name of Entity Required to be Disclosed	Reason Disclosure is Required ³
.....
.....

For the purpose of this Covenant, the terms set forth below define Prohibited Practices as:

- (i) “corrupt practice” which means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

³ For each matter disclosed, provide details of the measures that were taken, or shall be taken, to ensure that neither the disclosed entity nor any of its directors, employees or agents commits any Prohibited Conduct in connection with the Tender for this Contract.

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- (ii) “fraudulent practice” which means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
- (iii) “coercive practice” which means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party; and,
- (iv) “collusive practice” which means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party
- (v) “theft” which means theft which means the misappropriation of property belonging to another party.
- (vi) “misuse of the Bank’s resources” means improper use of the Bank’s resources, committed either intentionally or through reckless disregard; and,
- (vii) “obstructive practice” means (i) destroying, falsifying, altering or concealing of evidence material to a Bank investigation, which impedes the Bank’s investigation; (ii) making false statements to investigators in order to materially impede a Bank investigation into allegations of a Prohibited Practice; (iii) failing to comply with requests to provide information, documents or records in connection with a Bank investigation; (iv) threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to a Bank investigation or from pursuing the investigation; or (v) materially impeding the exercise of the Bank’s contractual rights of audit or inspection or access to information.

Following the submission of our tender, we grant the project financier, the International Investment Bank (IIB) and/or persons appointed by them, the right of inspection of our, and any proposed subcontractors, accounts and records and permission to have any such accounts and records audited by auditors appointed by the Bank, if required by the Bank. We accept to preserve these records generally in accordance with applicable law but in any case for at least six years from the date of substantial performance of the Contract.

We further declare that no affiliate of the Employer is participating in our tender in any capacity whatsoever.

VOLUME I.iv

EXAMPLE:

TENDER FORM - TWO STAGE TENDER - SECOND STAGE TENDER

Date:

Name of Contract:

To: *(Name and Address of Employer)*

Having examined the tender documents, including Addenda Nos. *(insert numbers)*, and your requirements incorporated in the Memorandum of the clarification meeting held between us on *(insert date)* , we, the undersigned, offer to design, manufacture, test, deliver, install, precommission and commission the Facilities under the above-named Contract in full conformity with the said tender documents and the said Memorandum for the sum of:

.....
(amount of foreign currency in words)

..... (.....)
(amount in figures)

and

.....
(amount of local currency in words)

..... (.....)
(amount in figures)

or such other sums as may be determined in accordance with the terms and conditions of the Contract. The above amounts are in accordance with the price schedules attached herewith and are made part of this tender.

We undertake, if our tender is accepted, to commence the Facilities, and to achieve Completion within the times stated in the tender documents.

If our tender is accepted, we undertake to provide an advance payment security and a Performance Security in the form and amounts, and within the times specified in the tender documents.

We agree to abide by this tender for a period of *(number)* days from the date set for submission of the Second Stage Tenders as stipulated in the letter of invitation to submit a Second Stage Tender, and it shall remain binding upon us and may be accepted by you at any time prior to the expiration of that period.

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Until a formal Contract Agreement is prepared and executed between us, this tender, together with your written acceptance thereof and your notification of award, shall constitute a binding contract between us.

We understand that you are not bound to accept the lowest or any tender you may receive.

Dated this day of 19

.....
(signature)

In the capacity of

.....
(position)

Duly authorised to sign this tender for and on behalf of

.....
(name of tenderer)

VOLUME I.v

EXAMPLE FORM OF TENDER SECURITY

Brief description of Contract

Name and address of Beneficiary.....(whom the tender documents define as the Employer).

We have been informed that(hereinafter called the "Principal") is submitting an offer for such Contract in response to your invitation, and that the conditions of your invitation (the "conditions of invitation", which are set out in a document entitled Instructions to Tenderers) require his offer to be supported by a tender security.

At the request of the Principal, we (*name of bank*) (hereby irrevocably undertake to pay you, the Beneficiary/Employer, any sum or sums not exceeding in total the amount of(say:)) upon receipt by us of your demand in writing and your written statement (in the demand) stating that:

- (a) the Principal has, without your agreement, withdrawn his offer after the latest time specified for its submission and before the expiry of its period of validity, or
- (b) the Principal has refused to accept the correction of errors in his offer in accordance with such conditions of invitation, or
- (c) you awarded the Contract to the Principal and he has failed to comply with sub-clause 1.6 of the conditions of the Contract, or
- (d) you awarded the Contract to the Principal and he has failed to comply with sub-clause 4.2 of the conditions of the Contract.

Any demand for payment must contain your signature(s) which must be authenticated by your bankers or by a notary public. The authenticated demand and statement must be received by us at this office on or before (*the date 35 days after the expiry of the validity of the Letter of Tender*), when this guarantee shall expire and shall be returned to us.

This guarantee is subject to the Uniform Rules for Demand Guarantees, published as number 458 by the International Chamber of Commerce, except as stated above.

Date Signature(s)

VOLUME I.vi

EXAMPLE:

MANUFACTURER'S AUTHORISATION FORM

[date]

TO: [Name of the Employer]

WHEREAS [name of the Manufacturer] who are established and reputable manufacturers of [name and/or description of the goods] having factories at [address of factory] do hereby authorise [name and address of Agent] to submit a tender, and subsequently negotiate and sign the Contract with you for the above goods manufactured by us.

We hereby extend our full guarantee and warranty as per the General Conditions of Contract for the goods offered for supply by the above firm in response to this Invitation for Tenders.

.....
[signature for and on behalf of Manufacturer]

This letter of authority should be on the letterhead of the Manufacturer and should be signed by a person competent and having the power of attorney to bind the Manufacturer. It should be included by the tenderer in its tender.

VOLUME I.vii

EXAMPLE:

LETTER OF ACCEPTANCE

[Date]

TO: [Name of successful tenderer]
[Address of successful tenderer]

This is to notify you that your tender dated [*enter date*] for the execution of the [*name of the contract as given in the Tender Data*] for the Contract Price of [*amount in numbers and words, and name of currency/currencies*], or equivalent thereof, as corrected and modified in accordance with the Instructions to Tenderers, is hereby accepted by our Agency.

You are hereby required:

- (a) to submit the Performance Security [*specify as provided in the tender documents*]
- (b) sign the attached Contract Agreement and return [*specify as provided in the tender documents*]; and
- (c) to commence performance of the said contract in accordance with the Contract Documents.

Authorised Signature.....

Name and Title of Signatory.....

Name of Agency.....

Attachment: Contract Document

This letter of acceptance should be on the letterhead of the Employer and should be signed by a person competent and having power of attorney to bind the Employer. If the Employer intends to accept any alternatives offered by the successful tenderer, this should be stated.

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Volume I.viii Price Schedules

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VOLUME I.viii

PRICE SCHEDULES

PREAMBLE

General

1. The price schedules are divided into separate schedules as follows:

Schedule No. 1	Plant and Equipment (including Mandatory Spare Parts) Supplied from Abroad
Schedule No. 2	Plant and Equipment (including Mandatory Spare Parts) Supplied from within the Employer's Country
Schedule No. 3	Local Transportation
Schedule No. 4	Installation Services
Schedule No. 5	Grand Summary
Schedule No. 6	Recommended Spare Parts
Schedule No. 7	Optional items
2. The Schedules do not generally give a full description of the Plant and Equipment to be supplied and the services to be performed under each item. Tenderers shall be deemed to have read the Technical Specifications and other volumes of the tender documents and to have reviewed the Drawings to ascertain the full scope of the requirements included in each item prior to filling in the rates and prices. The entered rates and prices shall be deemed to include for the full scope as aforesaid, including overheads and profit.
3. If tenderers are unclear or uncertain as to the scope of any item, they shall seek clarification in accordance with the Instructions to Tenderers in the tender documents prior to submitting their tender.

Pricing

4. Prices shall be entered in indelible ink, and any alterations necessary due to errors etc. shall be initialled by the tenderer.

As specified in the Tender Data, prices shall be fixed and firm for the duration of the Contract, or prices shall be subject to adjustment in accordance with Appendix 2 (Price Adjustment) to the Contract Agreement.
5. Tender prices shall be quoted in the manner indicated and in the currencies specified in the Instructions to Tenderers in the tender documents.

For each item, tenderers shall complete each appropriate column in the respective Schedules, giving the price breakdown as indicated in the Schedules.

Prices given in the Schedules for each item shall be for the scope covered by that item as detailed in the Technical Specifications, Drawings or elsewhere in the tender documents.

6. Where there are discrepancies between the total of the amounts in the column for the price breakdown and the amount in the column for the total price, the former shall prevail and the latter will be corrected accordingly.

Where there are discrepancies between the total of the amounts of Schedules 1 to 4 and the amount given in Schedule 5 (Grand Summary), the former shall prevail and the latter will be corrected accordingly.

Where there are discrepancies between amounts stated in figures and amounts stated in words, the amounts stated in words shall prevail.

7. Payments will be made to the Contractor in the currency or currencies indicated under each respective item.
8. Items left blank will be deemed to have been included in prices for other items. The total for each schedule and the total of the Grand Summary shall be deemed to be the total price for executing the Facilities and sections thereof in complete accordance with the Contract, whether or not each individual item has been priced.
9. When requested by the Employer for the purposes of making payments or part payments, calculating variations or evaluating claims, or for such other purposes as the Employer may reasonably require, the Contractor shall provide the Employer with a breakdown of any composite or lump sum items included in the Schedules.

The Tenderers are requested to provide all prices for items quoted (in Price Schedules and Letter of Tender for the Second stage) as follows:

- **Price of the items without VAT in EUR**
- **separated amounts of VAT in EUR**
- **Total price (consisting of price without VAT + VAT applicable to the priced items).**

The tenderers shall add a separate column to all the price schedules (1-7) in their tenders, listing VAT separately from prices without VAT and price without VAT shall be stated separately in their Letter of Tender.

Non-compliance with this may result in rejection of the Second stage tender.

IFT Number

Schedule No. 1
PAGE 1 OF 7

SCHEDULE OF RATES AND PRICES

**SCHEDULE NO.1 - PLANT AND EQUIPMENT, INCLUDING MANDATORY SPARE PARTS
SUPPLIED FROM ABROAD**

Name of tenderer _____

Page __ of __

Tender identification no. _____

Item	Description	Quantity	Unit price CIP (border)	Unit price (other INCOTER MS)	Total price per item (1 x 2)
		1	2	3	4
PS 01.2	Fuel handling No. 2				
PS 02	Steam boilers PK1, PK2				
PS 03	Hot water boilers HK1, HK2, HK3				
PS 04	Flue gas ducts and cleaning				
PS 05	District heating station				
PS 06	Natural gas distribution				
PS07	I&C				
7.1	PLC Design				
7.2	Addition of DCS component into PLC system				
PS08	Electrical part				
8.1	Modification of high-voltage equipment				
8.2	Transformers 6/0,4kV				
8.3	Rectifiers and inverter				
8.4	Technological switchboards 0,4kV				
8.5	Lighting switchboards 0,4kV				
8.6	DC switchboard				
8.7	Cables and cable trays				
8.8	Building electrical installation system				
8.9	LV compensating switchboards				
8.10	DGS – back-up generator				
PS09	CEMS				
PS 10	Compressor station				
PS 11	Temporary Works & Dismantling of existing equipment				

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	Other parts and equipment				
Total amount					

Signature of tenderer _____

Note:

1. In case of discrepancy between unit price and total, prices will be adjusted in accordance with the Instructions to Tenderers.
2. Prices and currencies to be in accordance with the Instructions to Tenderers.
3. Currencies are to be clearly specified in accordance with the Instructions to Tenderers

IFT Number

Schedule No. 2
PAGE 2 OF 7

SCHEDULE OF RATES AND PRICES

**SCHEDULE No.2 - PLANT AND EQUIPMENT SUPPLIED FROM WITHIN THE
EMPLOYER'S COUNTRY**

Name of tenderer _____

Page ___ of ___

Tender identification no. _____

Item	Description	Quantity	Unit Price EXW		Import duties and taxes on directly imported components	Total price per item	
			Foreign *	Local *		Foreign *	Local *
			1 x 2	1 x 3		5	6
		1	2	3	4	5	6
PS 01.2	Fuel handling No. 2						
PS 02	Steam boilers PK1, PK2						
PS 03	Hot water boilers HK1, HK2, HK3						
PS 04	Flue gas ducts and cleaning						
PS 05	District heating station						
PS 06	Natural gas distribution						
PS07	I&C						
7.1	PLC Design						
7.2	Addition of DCS component into PLC system						
PS08	Electrical part						
8.1	Modification of high-voltage equipment						
8.2	Transformers 6/0,4kV						
8.3	Rectifiers and inverter						
8.4	Technological switchboards 0,4kV						
8.5	Lighting switchboards 0,4kV						
8.6	DC switchboard						
8.7	Cables and cable trays						
8.8	Building electrical installation system						

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8.9	LV compensating switchboards						
8.10	DGS – back-up generator						
PS09	CEMS						
PS 10	Compressor station						
PS 11	Temporary Works & Dismantling of existing equipment						
	Other parts and equipment						
Total amount							

Signature of tenderer _____

Note:

1. In case of discrepancy between unit price and total, prices will be adjusted in accordance with the Instructions to Tenderers.
2. Prices and currencies to be in accordance with the Instructions to Tenderers.
3. Currencies are to be clearly specified in accordance with the Instructions to Tenderers.

IFT Number

Schedule No. 3
PAGE 3 OF 7

SCHEDULE OF RATES AND PRICES

SCHEDULE No.3 - LOCAL TRANSPORTATION

Name of tenderer _____

Page __ of __

Tender identification no. _____

Item	Description	Qty.	UNIT PRICE*	TOTAL
				PRICE 1 x
		1	2	2 3
3.1	Operating units (PS) – Mechanical Part			
3.2	I&C Part (PS07)			
3.3	Electrical Part (PS08)			
3.4	CEMS (PS09)			
3.5	Temporary Works & Dismantling of existing equipment			
3.6	Civil Part			
3.7	Other Parts and Equipment			
	TOTAL (TO GRAND SUMMARY)			

Signature of tenderer _____

*Specify currencies in accordance with the Instructions to Tenderers.

IFT Number

Schedule No.4
PAGE 4 OF 7

SCHEDULE OF RATES AND PRICES

SCHEDULE No.4 - INSTALLATION AND OTHER SERVICES

Name of tenderer _____

Page __ of __

Tender identification no. _____

Item	Description	Qty.	UNIT PRICE		TOTAL PRICE	TOTAL PRICE
			Foreign Currency Portion*	Local Currency Portion*	Foreign* 1 x 2	Local* 1 x 3
		1	2	3	4	5
4.1	Operating units (PS) – Mechanical Part – erection and testing					
4.2	I&C Part (PS07) - erection and testing					
4.3	Electrical Part (PS08) - erection and testing					
4.4	CEMS (PS09) - erection and testing					
4.5	Other Parts and Equipment - erection and testing					
4.6	Geological survey and other investigation and surveys necessary to perform the WORK					
4.6.1	Engineering geological survey					
4.6.2	Building technical survey					
4.6.3	Geodetic survey					
4.7	CO 01 Demolition and Preparatory Work					
4.7.1	CO 01.1 Demolition works in the boiler house					
4.7.2	CO 01.2 Preparation of area and rough ground shaping					
4.8	CO 02 – Roads and Paved Areas					

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4.9	CO 03 Gatehouse, Truck Weighting Station, Fences					
4.9.1	CO 03.1.A Building conversions in the newly reconstructed gatehouse					
4.9.2	CO 03.1.B Gatehouse – the container for truck weighting station					
4.9.3	CO 03.2.A Truck weighting station					
4.9.4	CO 03.3 Fences					
4.10	CO 04 – Public Lighting					
4.11	CO 05.2 Fuel Storage No.2					
4.12	CO 07 Boiler House					
4.12.1	Foundations below technological equipment and facilities					
4.12.2	Floors					
4.12.3	Holes filling, glazed façade					
4.12.4	Interior plasters, tiles, paintings and coatings					
4.12.5	Facade					
4.12.6	Roof					
4.12.7	Other civil works and structures					
4.12.8	Building equipment (HVAC, inner water supply, sewerage, etc.)					
4.13	CO 08 District Heating Station					
4.13.1	Foundations below technological equipment and facilities					
4.13.2	Floors					
4.13.3	Holes filling, glazed façade					
4.13.4	Interior plasters, tiles, paintings and coatings					
4.13.5	Facade					

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4.13.6	Roof					
4.13.7	Other civil works and structures					
4.13.8	Building equipment (HVAC, inner water supply, sewerage, etc.)					
4.14	CO 09 – Stack– substructure design					
4.14.1	CO 09.1 Foundation under the stacks for biomass fired boilers					
4.14.2	CO 09.2 Foundation under the stack for gas fired boilers					
4.15	CO 10 – Inner Area Underground Services					
4.15.1	CO 10.1 Rainwater sewerage					
4.15.2	CO 10.2 Industrial sewerage					
4.15.3	CO 10.3 Fire water pipeline					
4.15.4	CO 10.4 Drinking water pipeline					
4.15.5	CO 10.5 Inner area HV/LV distribution					
4.15.6	CO 10.6 Sanitary sewerage					
	TOTAL (TO GRAND SUMMARY)					

Signature of tenderer _____

*Specify currencies in accordance with the Instructions to Tenderers.

IFT Number

Schedule No.5
PAGE 5 OF 7

SCHEDULE OF RATES AND PRICES

SCHEDULE No. 5 - GRAND SUMMARY

Name of tenderer _____

Page ___ of ___

Tender identification no. _____

Item	Description	TOTAL PRICE	
		Foreign Currency Portion*	Local Currency Portion*
	TOTAL SCHEDULE No.1 Plant and Equipment, including mandatory spare parts, supplied from abroad		
	TOTAL SCHEDULE No.2 Plant and Equipment, including mandatory spare parts, supplied from within the Employer's country		
	TOTAL SCHEDULE No.3 Local Transportation		
	TOTAL SCHEDULE No.4 Installation and other Services		
	GRAND TOTAL (TO TENDER FORM)		

Signature of tenderer _____

*Specify currencies in accordance with the Instructions to Tenderers.

IFT Number

Schedule No.6
 PAGE 6 OF 7

SCHEDULE OF RATES AND PRICES

SCHEDULE No.6 - RECOMMENDED SPARE PARTS

Name of tenderer _____

Page __ of __

Tender identification no. _____

Item	Description	Qty.	UNIT PRICE*		TOTAL PRICE (1 x 2 x 3)
			From abroad (CIP)	From within Employer's country (EXW)	
		1	2	3	4
				Total amount	

Signature of tenderer _____

* Specify currencies in accordance with the Instructions to Tenderers.

IFT Number

Schedule No. 7

SCHEDULE OF RATES AND PRICES

PAGE 7 of 7

SCHEDULE NO.7 – OPTIONAL ITEMS

Note: Price Schedule 7 is to be used for reference purposes only, while only Option D will be used for evaluation purposes. The Employer is not bound to contract any of the optional items listed below, but has right to additionally contract any of the items below up through contract amendment until 1 year after the deadline for submission of the Second stage tender (therefore the prices for the 4 options shall remain valid for 1 year following tender submission deadline).

The prices shall be quoted as turnkey, on DDP basis and shall include all related costs such as labour, contractor's Equipment, temporary works, materials, consumables and all matters and things of whatsoever nature, including operations and maintenance services, the provision of operations and maintenance manuals, trainings, etc.

The tenderers are required to price all items in the boxes from the tables below. Not rated items will be treated in accordance with the Instructions to Tenderers. It is not allowed to change the structure of the forms and replacements are not accepted. In case of a joint tender by two or more associates, the partners will jointly fill in the tender, and the tender is signed by the authorized person of each associate.

Name of tenderer _____

Page __ of __

Tender identification no. _____

Item	Description	Quantity	Unit price DDP (Zvolen) excluding VAT	Total price per item (1 x 2)
		1	2	3
1.	Option A - External Fuel Handling No. 1 consisting of: a) CO 05.1 Fuel Storage No. 1 b) CO 06 - Traffic routes c) All necessary inner area underground services for the needs of civil objects included in option A (as defined in ANNEX A1 SUBJECT AND SCOPE OF THE CONTRACT)			

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2.	Option B – CO 09.3 Preserving of existing stack (as defined in ANNEX A1 SUBJECT AND SCOPE OF THE CONTRACT)			
3.	Option C – Existing stack demolition (as defined in Addendum 3)			
4.	Option D – Additional costs related to a case of reclassification of the Works / New Plant as a large combustion plant (as defined in Addendum 3)			

Signature of tenderer _____

Note:

1. Prices and currencies to be in accordance with the Instructions to Tenderers.

Zvolen District Heating Project

Procurement of DH plant rehabilitation works, supply and installation of biomass and gas boilers

Volume II

The Contract

VOLUME II.i

GENERAL CONDITIONS OF CONTRACT

Zvolenská teplárenská, a.s.

Zvolen District Heating Project

Procurement of DH plant rehabilitation works, supply and installation of biomass and gas boilers

The Conditions of Contract, Part A: General Conditions shall be those forming Volume II.i of the “Conditions of Contract for Plant & Design-Build (First Ed., 1999) – Yellow Book” prepared by the *Fédération Internationale des Ingénieurs-Conseils* (FIDIC). These Conditions are subject to the variations and additions set out in Volume II.ii hereof entitled “Particular Conditions of Contract” (PCC)

Copies of the FIDIC Conditions of Contract can be obtained from:

FIDIC Secretariat
P.O. Box 86
1000 Lausanne 12
Switzerland
Facsimile: 41 21 653 5432
Telephone: 41 21 653 5003

And the FIDIC official web site

WWW.FIDIC.ORG

VOLUME II.ii

Particular Conditions of Contract (PCC)

The following Particular Conditions of Contract shall supplement the GCC. Whenever there is a conflict, the provisions herein shall prevail over those in the GCC.

Sub-Clause 1.13 Compliance with Laws

(a) the Employer shall have obtained (or shall obtain) the planning, zoning or similar permission for the Permanent Works, and any other permissions described in the Employer's Requirements as having been (or being) obtained by the Employer; and the Employer shall indemnify and hold the Contractor harmless against and from the consequences of any failure to do so; and

(b) the Contractor shall give all notices, pay all taxes, duties and fees, and obtain all permits, licences and approvals, as required by the Laws in relation to the design, execution and completion of the Works and the remedying of any defects; and the Contractor shall indemnify and hold the Employer harmless against and from the consequences of any failure to do so. The Contractor's obligation does not apply to the construction permit and environmental impact assessment (EIA) in relation to the Works, where the Employer already undertook to obtain said permit and EIA before the contract award, unless the Contractor in his designs deviates from the initially prepared designs to the degree that amendment to or re-issuance of the construction permit and EIA process are required.

Sub-Clause 3.1a Management Meetings

The Engineer or the Contractor's Representative may require the other to attend a management meeting in order to review the arrangements for future work. The Engineer shall record the business of management meetings and supply copies of the record to those attending the meeting and to the Employer. In the record, responsibilities for any actions to be taken shall be in accordance with the Contract.

Sub-Clause 4.2 Performance Security

At the end of the second paragraph of Sub-Clause 4.2, insert:

If the Performance Security is in the form of a bank guarantee, it shall be issued either (a) by a bank located in the Country, or (b) directly by a reputable foreign bank acceptable to the Employer and located in the European Union. If the Performance Security is not in the form of a bank guarantee, it shall be furnished by a financial entity registered, or licensed to do business, in the Country.

Sub-Clause 4.3 Contractor's Representative

At the end of Sub-Clause 4.3, add:

The Contractor's Representative and all these persons shall also be fluent in Slovak (fluency in Czech as a mutually intelligible language is an acceptable substitute).

Sub-Clause 4.4 Subcontractors

At the end of Sub-Clause 4.4, add:

(d) The Engineer shall give the Employer not less than 14 days' notice of the intended date of the commencement of each Subcontractor's work; the Engineer shall not provide consent stipulated under letter (b) until the Employer had at least 5 days' time to advise or object.

Sub-Clause 4.18 Protection of the Environment

At the end of Sub-Clause 4.18, add:

The Contractor shall acquaint themselves with the Environmental and Social Action Plan developed for the Zvolen District Heating Project by an independent consultant in October 2019, and shall observe all prescribed actions and limitations related to the Works, the Equipment and the Site, and to other aspects of the project where the Contractor's cooperation and compliance may be required. The Contractor shall acquaint themselves with the environmental and social policies and provisions stipulated in the Facility Agreement between Zvolenská teplárenská a.s. and the International Investment Bank related to the Zvolen District Heating Project and observe them throughout preparation, execution, and commissioning of the Works, to the extent that these policies and provisions apply to the scope of Works and the Contractor's obligation of reasonable care and protection of the Employer's interests.

Sub-Clause 5.1 General Design Obligations

At the end of Sub-Clause 5.1, add:

The Contractor will be presumed to have acquainted themselves with the designs prepared by an independent engineer for the originally intended project implementation approach under Red FIDIC. The Contractor shall not deviate from these designs in preparing their own detailed designs (based on the Employer's Requirements) in a way that would invalidate the construction permit and environmental permit (EIA) that will be in the process or already issued by the Base Date. If changes are required to these permits or the ongoing approval processes because the Contractor's proposed designs would deviate materially from the designs that were the basis for requesting the permits, the additional time and cost shall not constitute basis for a variation order and shall be entirely the risk and responsibility of the Contractor.

Sub-Clause 5.2 Contractor's Documents

At the end of Sub-Clause 5.2, add:

Those designs and Contractor's Documents that are required for communication with authorities of the Slovak Republic, such as toward obtaining regulatory approvals, shall be also prepared in Slovak language irrespective of language of communication in this Contract. It is understood that in case of these documents, their Slovak version shall prevail.

Sub-Clause 6.7 Health and Safety

At the end of Sub-Clause 6.7, add:

The Contractor shall acquaint themselves with the Environmental and Social Action Plan developed for the Zvolen District Heating Project by an independent consultant in October 2019, and shall observe all prescribed actions and limitations related to the Works, the Equipment and the Site, and to other aspects of the project where the Contractor's cooperation and compliance may be required.

Clause 7 Plant, Materials and Workmanship

All Goods, except those already offered in the Contractor's technical proposal in response to the tender and not objected by the Employer, shall have their origin in a member country of the International Investment Bank, unless exempted by the Employer or the Bank in writing on the basis of potential excessive costs or delays. Surety, insurance and banking services beyond those defined by the Contractor in its technical proposal in response to the tender, shall be provided by insurers and bankers from the Bank's member countries.

Sub-Clause 8.1 Commencement of Work

Replace "42" with "21". The corrected sentence shall read as follows:

The Commencement Date shall be within 21 days after the Contractor receives the Letter of Acceptance.

Sub-Clause 8.3 Programme

Replace "28" with "14" in the first sentence. The corrected sentence shall read as follows:

The Contractor shall submit a detailed time programme to the Engineer within 14 days after receiving the notice under Sub-Clause 8.1.

Replace "21" with "7" in the 2nd paragraph. The corrected sentence shall read as follows:

Unless the Engineer, within 7 days after receiving a programme, gives notice to the Contractor stating the extent to which it does not comply with the Contract, the Contractor shall proceed in accordance with the programme, subject to his other obligations under the Contract.

Sub-Clause 8.7 Delay Damages

There are 2 types of delays when the Employer shall be entitled to be compensated for the delay damages.

- a) Delay in completing of the intermediate milestones.

In case of delay of the Contractor in completing milestones as defined below, the Employer shall be entitled to demand payment of the contractual penalty by the Contractor in the following amount:

No.	Milestone event	Milestone completion date	Document evidencing completion	Contractual penalty
1.	Basic Design provided for Approval to the Employer		Basic Design documents package compliant with requirements of ANNEX A4 handed over by Contractor (hand over protocol signed by Employer)	0.01 % of the Contract Price for each full week of delay
2.	Input documentation		Acceptance protocol	0.05 % of the

No.	Milestone event	Milestone completion date	Document evidencing completion	Contractual penalty
	for the permit to put the Plant in temporary operation		signed by the Employer	Contract Price for each full week of delay
3.	Mechanical completion of the Works reached		Mechanical completion confirmed by Completion Acceptance Certificate signed by the Employer	0.4 % of the Contract Price for each full week of delay
4.	TEST ON COMPLETION - start of the Complex Testing			0.5 % of the Contract Price for each full week of delay

Contractual penalties accrued and/or paid by the Contractor as per this Article a) shall be cancelled/returned back to the Contractor in case the signature of the TAKING OVER CERTIFICATE is achieved without delay.

b) Delay in completing the Works till the of signature of the TAKING- OVER CERTIFICATE

The Employer shall be entitled, without prejudice to its other remedies under the Contract, to demand payment of the contractual penalty by the Contractor in the amount of 0.7 (point seven) % of the Contract Price for each full week of Contractor's delay with completing the Works (i.e., signature of the TAKING-OVER CERTIFICATE by the Employer).

Sub-Clause 9.4 Failure to Pass Tests on Completion

See Annex A 6 Guarantees, which becomes integral part of the PCC under this sub-clause.

Sub-clause 11.4 Failure to remedy Defects

If a defect results in an shutdown of the Plant or cause shutdown or limits the ability to operate the Works, the time of the Contractor's reaction to the reported defect, i.e. the time period after which the Contractor takes its position regarding the reported malfunctioning and provides the Employer with the procedure to follow, by electronic mail, shall not exceed 12 hours from receipt by the Contractor of the Employer 's notification by electronic mail with the description of the defect.

In the event described in this Article, the Contractor shall commence remedial action to remove the defect within a maximum of 24 (twenty four) hours from the Employer's notification in electronic form and shall remedy the defect as soon as possible, however in any case not longer than the time-limit for commencing removal of defects or time-limit for removal of defects agreed between the

Parties. If the Contractor does not remove the defect by the deadline, the Contractor shall be required to pay the contractual penalty referred to in Article c) hereof.

Contractual Penalties

The Employer shall be entitled to demand payment of contractual penalties by the Contractor in each of the following cases due to fault of the Contractor:

- a) In case of failure to present way of removal of defects, failure to commence remedial action to remove a defect in performed Works, failure to carry out a reparation of or failure to replace a defective element within the time-limits set forth in Article to Sub-Clause 11.4 hereof, the Employer shall be entitled to demand payment of the contractual penalty by the Contractor in the amount of 0.005 (point double o five) % of the Contract Price for each commenced hour of delay. Contractual penalties in compliance with this c) shall be calculated as a sum of all accrued contractual penalties for whole duration of the DEFECT NOTIFICATION PERIOD and shall fall due upon expiry of the DEFECT NOTIFICATION PERIOD .

PENALTIES FOR GUARANTEE

In case of failure to achieve the GUARANTEED PERFORMANCE PARAMETERS of the Plant by the Contractor, the following contractual penalties shall be payable by the Contractor

	Parameter	Contractual Penalty	Not acceptable value
1.1	Thermal Output District Heating Station – Part Heat Exchangers	EUR 50 000 per each 100KW below guaranteed value	less than 39,499 MW _t

1.2 Steam boilers - biomass firing

	Parameter	Contractual Penalty	Limit Value/Not acceptable value
1.2.1	Each Boiler Nominal Steam Power (BMCR)	EUR 50,000 per each 0.1 t/h below of the guaranteed value	2 percentage points lower than guaranteed
1.2.2.	Nominal pressure at BMCR	n/a	
1.2.3	Nominal steam temperature for the range 50 -100 % BMCR	EUR 50 000 per each 5°C outside of guaranteed value range	
1.2.4	Each Steam boiler efficiency (range 75 - 100%)	EUR 50,000 for each full 0.2 percentage point below guaranteed figure	Less than 85,5
1.2.5	Maximal surface blow down % of FW flow to keep quality of the water -steam cycle at BMCR	EUR 25,000 per each full 0.1 percentage point of exceeding guaranteed max. surface blow down	
1.2.6	Each boiler unburned Carbon Loss in Bottom Ash for the range 60 -100% BMCR	EUR 15,000 per each full 0.1 percentage point of exceeding guaranteed value	
1.2.7	Maximum temperature of bottom Ash at boiler discharge for each boiler	EUR 100 000 per each 20°C exceeding guaranteed value	
1.2.8	Maximum Oxygen content in flue gas downstream of Fly ash precipitator (dry gas)	EUR 10,000 per each full 0.1 percentage point of exceeding guaranteed value	

	for each boiler		
1.2.9	Minimal flue gas temperature above flue gas dew point for the range 25 -100% BMCR for each boiler	EUR 100,000 per each 5°C below of the guaranteed value	
1.2.10	Maximal flue gas temperature downstream of economiser	EUR 100,000 per each 5°C above of the guaranteed value	
1.2.11	Average Specific Consumption of the reagent (specification by TENDERER) to steam production for 24 hour of operation at BMCR (IF ANY)	EUR 10,000 per each 5 % of the consumption	

1.3 Nominal Steam Power of One Boiler firing NG

	Parameter	Contractual Penalty	Limit Value/Not acceptable value
1.3.1	Boiler Nominal Steam Power (BMCR)	EUR 50 000 per each full 0,1 t/h below of the guaranteed value	2 percentage points lower than guaranteed
1.3.2.	Nominal pressure at BMCR	n/a	
1.3.3	Nominal steam temperature for the range 50 -100 % BMCR	EUR 50,000 per each 5°C outside of guaranteed value range	
1.3.4	Steam boiler efficiency (range 75 -100%)	EUR 70,000 for each full 0.1 percentage point below guaranteed figure	2 percentage points lower than guaranteed
1.3.5	Maximal surface blow down % of FW flow to keep quality of the water -steam cycle	EUR 25,000 per each full 0.1 percentage point of exceeding guaranteed max. surface blow down	

1.4 Each Boiler Minimal Steam Power without stabilization

	Parameter	Contractual Penalty	Limit Value/Not acceptable value
1.4.1	Boiler Nominal Steam Power (25% BMCR)	EUR 50 000 per each 0.1 t/h above	5 percentage points higher than guaranteed

		of the guaranteed value	
1.4.2.	Nominal pressure at BMCR	n/a	
1.4.3	Steam temperature at 25 % BMCR	EUR 50 000 per each 5°C outside of guaranteed value range	
1.4.4.	Maximum Oxygen content in flue gas downstream of Fly ash precipitator (dry gas)	EUR 10,000,-per each full 0.1 percentage point of exceeding guaranteed value	
1.4.5	Maximal flue gas temperature downstream of economiser	EUR 100,000 per each 5°C above of the guaranteed value	

1.5 Hot Water Boilers

	Parameter	Contractual Penalty	Limit Value/Not acceptable value
1.5.1	Each Boiler Nominal Thermal output	EUR 70,000 per each full 0,1 MW below of the guaranteed value	3 percentage points lower than guaranteed
1.5.2	Nominal DH water outlet temperature	EUR 150,000 per each full 2°C below of the guaranteed value	Less than 125
1.5.3	Boiler efficiency (range 60 -100%) of Nominal output	EUR 70,000 for each full 0.1 percentage point below guaranteed figure	Less than 93
1.5.4	Max. flue gas temperature downstream of boiler	EUR 100,000 per each 3°C above of the guaranteed value	

	Parameter	Contractual Penalty	Limit Value/Not acceptable value
1.6.1	Maximal Oxygen Content in Feedwater At BMCR both steam boilers at outlet FW Tank	100,000 EUR	More than 21
1.6.2	Maximal Oxygen Content in Feedwater At 25 % BMCR of one steam boiler in operation at outlet FW Tank	100,000 EUR	More than 21

Zvolen District Heating Project
Procurement of DH plant rehabilitation works, supply and installation of biomass and gas boilers

	Parameter	Contractual Penalty	Not acceptable value
1.7	District Heating Circulating Pumps Efficiency	EUR 10,000 per each full 0.5 percentage point above guaranteed value per each pump	more than 81 %
1.8	Own Electricity Consumption of the Heating Plant	EUR 30,000 per each 5 % of the consumption	

	Parameter	Contractual Penalty	Limit Value/Not acceptable value
1.9.1	Plant Availability	0.25 % of the Contract Price for each full 0.5 percentage point less availability than guaranteed for each boiler	
1.9.2	Plant Guaranteed Reliability from 8550 hours per each period of 12 consecutive months during DEFECT NOTIFICATION PERIOD	0.15 % of the Contract Price for each full 1 percentage point less reliability than guaranteed for each boiler	3 percentage points lower than guaranteed
1.9.3	Each Biomass Boiler guaranteed Reliability 8350 hours per each period of 12 consecutive months during DEFECT NOTIFICATION PERIOD	0.1 % of the Contract Price for each full 1 percentage point less reliability than guaranteed for each boiler	3 percentage points lower than guaranteed
1.9.4	Limitation one period unplanned outages	5,000 EUR per full day	

	Parameter	Contractual Penalty	Not acceptable value
1.10.1	Make-up Water Quality of District Heating System	EUR 25,000	
1.10.2	Make-up Water Mass Flow of District Heating System	EUR 25,000	
1.11.1	Water / Steam Biomass Boiler Island quality Feed	EUR 25,000	

	Water Quality		
1.11.2	Water / Steam Biomass Boiler Island quality - Boiler Water Quality	EUR 25,000	
1.11.3	Water / Steam Biomass Boiler Island quality - Superheated Steam Quality	EUR 25,000	

1.12 Emission Limits into the Air from the Combustion

Emissions Limits shall be fulfilled. Failure to comply with this parameter will result in the cancellation of the Contract and penalty of 10% of the Contract price.

	Parameter	Contractual Penalty	Not acceptable value
1.13	Mechanical Vibration	EUR 10,000 per case	

	Parameter	Contractual Penalty	Not acceptable value
1.14.1	Equipment Noise Level	EUR 10,000 per case	
1.14.2	Plant Noise Level	EUR 200,000	

	Parameter	Contractual Penalty	Not acceptable value
1.15	Raw Water Consumption	EUR 5,000 per each m3 /hour	

1.16 Operating Capacity of Biomass Fuel and Ash Handling Systems

Penalty is not applicable

1.17 Surface Temperature of Thermal Insulation

Penalty is not applicable

1.18 Steam Boiler Refractory and Brick/Tile Cladding

50 000 EUR if the damage effects more than on 4% of the refractory surface

Sub-Clause 12.1 Procedure for Tests after Completion

See Annex A_5 Acceptance procedures

Sub-Clause 13.8 Adjustments for Changes in Cost

Replace the entire sub-clause with the following:
No adjustments for changes in cost shall be permitted under this Contract.

Sub-Clause 14.2 Advance Payment

At the end of Sub-Clause 14.2, add:
The advance payment shall be deduced from the instalments of the lump sum Contract Price according to the table under Sub-Clause 14.4 Schedule of Payments.

Sub-Clause 14.4 Schedule of Payments

At the end of Sub-Clause 14.4, add:
The lump sum Contract Price shall be divided into the following instalments:

Schedule No. 1 Plant and Equipment supplied from abroad

In respect of Plant and Equipment supplied from abroad, the following payments shall be made:

Thirty (30) percent of the total CIF or CIP amount as an advance payment against receipt of invoice and an irrevocable advance payment security for the equivalent amount made out in favour of the Employer. The advance payment security may be reduced in proportion to the value of the Plant and Equipment shipped FOB or delivered to the Site, as evidenced by shipping and delivery documents.

Sixty (60) percent of the total FOB or FCA amount upon Incoterm "FOB" or "FCA," within forty-five (45) days after receipt of invoice and shipping documents. In the event that shipping is delayed upon the written instruction of the Employer for more than twenty-eight (28) days beyond the date shown in the programme of performance provided in accordance with Appendix 2. Time Schedule, the Contractor may make application for this part of the payment against warehouse receipts, provided always that the Plant and Equipment are ready for shipment on the date shown in the said programme.

Sixty (60) percent of the total CIF or CIP amount upon Incoterm "CIF" or "CIP", upon delivery to Site within forty-five (45) days after receipt of invoice, less eighty (80) percent of the FOB amount already paid or authorised for payment.

Five (5) percent of the total CIF or CIP amount upon issue of the Completion certificate, within forty-five (45) days after receipt of invoice.

Five (5) percent of the total CIF or CIP amount upon issue of the operational acceptance certificate, within forty-five (45) days after receipt of invoice.

Schedule No. 2 Plant and Equipment Supplied from within the Employer's Country

In respect of Plant and Equipment supplied from within the Employer's country, the following payments shall be made:

Thirty (30) percent of the total EXW amount as an advance payment against receipt of invoice, and an irrevocable advance payment security for the equivalent amount made out in favour of the Employer. The advance payment security may be reduced in proportion to the value of the Plant and Equipment delivered to the Site, as evidenced by shipping and delivery documents.

Sixty (60) percent of the total EXW amount upon Incoterm "Ex-Works," upon delivery to the Site within forty-five (45) days after receipt of invoice.

Five (5) percent of the total EXW amount upon issue of the Completion certificate, within forty-five (45) days after receipt of invoice.

Five (5) percent of the total EXW amount upon issue of the operational acceptance certificate, within forty-five (45) days after receipt of invoice.

Schedule No. 3 Local Transportation

In respect of local transportation for both the foreign currency (where applicable) and the local currency portions, the following payments shall be made:

Thirty (30) percent of the total local transportation amount as an advance payment against receipt of invoice, and an irrevocable advance payment security for the equivalent amount made out in favour of the Employer. The advance payment security may be reduced in proportion to the value of the Plant and Equipment delivered to the Site, as evidenced by shipping and delivery documents.

Seventy (70) percent of the total local transportation amount upon delivery to the Site within forty-five (45) days after receipt of invoice.

Schedule No. 4 Installation Services

In respect of installation services for both the foreign and local currency portions, the following payments shall be made:

Thirty (30) percent of the total installation services amount as an advance payment against receipt of invoice, and an irrevocable advance payment security for the equivalent amount made out in favour of the Employer. The advance payment security may be reduced in proportion to the value of work performed by the Contractor as evidenced by the invoices for installation services.

Sixty (60) percent of the measured value of work performed by the Contractor, as identified in the said programme of performance, during the preceding month, as evidenced by the Employer's authorisation of the Contractor's application, will be made monthly within forty-five (45) days after receipt of invoice.

Five (5) percent of the total value of installation services performed by the Contractor as evidenced by the Employer's authorisation of the Contractor's monthly applications, upon issue of the Completion certificate, within forty-five (45) days after receipt of invoice.

Five (5) percent of the total value of installation services performed by the Contractor as evidenced by the Employer's authorisation of the Contractor's monthly applications, upon issue of the operational acceptance certificate, within forty-five (45) days after receipt of invoice.

If adjustments to Accepted Contract Amount are made during the Contract term, these shall be reflected in Interim Payment Certificates.

Sub-Clause 14.5 Plant and Materials Intended for the Works

The entire sub-clause does not apply.

Sub-Clause 14.7 Payment

In sub-paragraph (a), delete "42" and substitute "21", delete "21" and substitute "14".

In sub-paragraph (b), delete "56" and substitute "28".

In sub-paragraph (c), delete "56" and substitute "28".

Add Sub-Clause 18.5 Insurance for Design

The Contractor shall effect professional indemnity insurance, which shall cover the risk of professional negligence in the design of the Works. This insurance shall be for a limit of not less than one million EUR (1,000,000.00 EUR). The Contractor shall use his best endeavours to maintain the professional indemnity insurance in full force and effect until the end of the Defects Notification Period for the Works. The Contractor undertakes to notify the Employer promptly of any difficulty in extending, renewing or reinstating this insurance.

Delete Sub-Clauses 20.2 and 20.3.

Delete Sub-Clause 20.4 and substitute the Sub-Clause 20.4 published in FIDIC's "Conditions of Contract for Construction" First Edition 1999, and then delete the second paragraph of such substituted Sub-Clause 20.4 and insert the following paragraph:

The Engineer shall act as the DAB in accordance with this Sub-Clause 20.4, acting fairly, impartially and at the cost of the Employer. In the event that the Employer intends to replace the Engineer, the Employer's notice under Sub-Clause 3.4 shall include detailed proposals for the appointment of a replacement DAB.

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Appendix to Tender

Conditions	Sub-Clause	Data
Employer's name and address	1.1.2.2 & 1.3	Zvolenská teplárenská, a.s. Lučenecká cesta 25 960 01 Zvolen Slovak Republic
Contractor's name and address	1.1.2.3 & 1.3	Energyco, s.r.o. of with its registered seat at MR Štefánika 13 048 01 Rožňava, Slovakia
Engineer's name and address	1.1.2.4 & 1.3	e.mcc energy, s.r.o. of with its registered seat at Kpt. Jána Nálepku 78, 934 01 Levice on behalf of Consortium EMCC AF ZVT
Bank's name	1.1.2.11	International Investment Bank
Borrower's name	1.1.2.12	Zvolenská teplárenská, a.s. Lučenecká cesta 25 960 01 Zvolen Slovak Republic
Time for Completion	1.1.3.3	Completion of Works: 52 weeks Tests including individual and complex tests: 7 days
Defects Notification Period	1.1.3.7	For building and documentation 60 months, for the rest 365 days.
Electronic transmission systems	1.3	Fax and E-mails. E-mails to be confirmed in writing
Governing Law	1.4	Laws of the Slovak Republic
Ruling language	1.4	English
Language for communications	1.4	Slovak and English
Time for access to the Site	2.1	7 days after Commencement Date
Engineer's Duties and Authority	3.1(b)(ii)	Variations resulting in an increase of the Accepted Contract Amount shall require approval of the Employer and the Bank
Performance Security	4.2	The performance security will be in the form of a demand guarantee in the amount of 20 % of the Accepted Contract Amount and in the same currency of the Accepted Contract Amount
Normal working hours	6.5	6.00 a.m. to 18.00 p.m.

Delay Damages for Parts of the Works	8.7	<p>Delay in completing of the intermediate milestones.:</p> <ul style="list-style-type: none"> - Basic Design provided for approval to the Employer - 0.01 % of the contract price for each full week of delay - Input documentation for the permit to put the PLANT in temporary operation - 0.05 % of the contract price for each full week of delay - Mechanical completion of the Work reached - 0.4 % of the contract price for each full week of delay - Test on Completion - start of the Complex Testing - 0.5 % of the contract price for each full week of delay
Delay Damages for the Works	8.7	<p>Delay in completing the Works till the of signature of the Taking over Certificate: The Employer shall be entitled, without prejudice to its other remedies under the Contract, to demand payment of the contractual penalty by the Contractor in the amount of 0.7 (point seven) % of the contract price for each full week of Contractor 's delay with completing the Works (i.e., signature of the Taking over Certificate by the Employer).</p>
Maximum amount of Delay Damages	8.7	25% of the final Contract Price
Adjustments for Changes in Cost	13.8	The tender price is fixed for the entire time period during which the Contract is performed
Total Advance Payment	14.2	30 % Percentage of the Accepted Contract Amount payable in the currencies and proportions in which the Accepted Contract Amount is payable
Number and timing of instalments	14.2	One instalment after receipt of the Advance payment guarantee by the Employer.
Currencies and proportions	14.2	The advance payment shall be paid in the currency in which the Accepted Contract Amount is payable to the Contractor according to Sub-Clause 14.15
Start repayment of Advance payment	14.2 (a)	When payments reach 40 % of the Accepted Contract Amount less Provisional Sums

Repayment amortisation rate of advance payment	14.2 (b)	25 %
Percentage of Retention	14.3	10 %
Limit of Retention Money	14.3	10 % of the Accepted Contract Amount
Minimum Amount of Interim Payment Certificates	14.6	5 % of the Accepted Contract Amount
Currency/Currencies of Payment	14.15	The Contract Price shall be paid in EURO
Periods for submission of insurance:	18.1	
a. evidence of insurance		7 days
b. relevant policies		28 days
Maximum amount of deductibles for insurance of the Employer's risks	18.2 (d)	10,000.00 EURO
Minimum amount of third party insurance	18.3	100,000.00 EURO per occurrence with the number of occurrences unlimited
Appointment of DAB shall be by the date	20.2	14 days after a Party gives notice to the other Party of its intention to refer a dispute to a DAB in accordance with Sub-Clause 20.4
The DAB shall be comprised of	20.2	Single Member appointed by the Engineer
Appointment (if not agreed) to be made by	20.3	The Engineer
Place of litigation	20.6 (a)	Paris, France
Language of litigation	20.6.	English

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CONTRACT AGREEMENT

This Agreement made theday of20.....

Between of (hereinafter called "the Employer") of the one part,
and of (hereinafter called "the Contractor") of the other part

Whereas the Employer desires that the Works known asshould be executed by the Contractor, and has accepted a Tender by the Contractor for the execution and completion of these Works and the remedying of any defects therein,

The Employer and the Contractor agree as follows:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to.
2. The following documents shall be deemed to form and be read and construed as part of this Agreement:
 - (a) The Letter of Acceptance dated
 - (b) The Letter of Tender dated
 - (c) The Addenda nos.....
 - (d) The Conditions of Contract
 - (e) The Employer's Requirements
 - (f) The completed Schedules, and
 - (g) The Contractor's Proposal.
3. In consideration of the payments to be made by the Employer to the Contractor as hereinafter mentioned, the Contractor hereby covenants with the Employer to design, execute and complete the Works and remedy any defects therein, in conformity with the provisions of the Contract.
4. The Employer hereby covenants to pay the Contractor, in consideration of the execution and completion of the Works and the remedying of defects therein, the Contract Price at the times and in the manner prescribed by the Contract.

In Witness whereof the parties hereto have caused this Agreement to be executed the day and year first before written in accordance with their respective laws.

SIGNED by:
.....

for and on behalf of the Employer in the presence
Of

Witness:
Name:
Address:
Date:

SIGNED by:
.....

for and on behalf of the Contractor in the presence
Of

Witness:
Name:
Address:
Date:

APPENDICES

Zvolen District Heating Project
Procurement of DH plant rehabilitation works, supply and installation of biomass and gas boilers

Appendix 1	Terms and Procedures of Payment
Appendix 2	Time Schedule
Appendix 3	List of Subcontractors

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Appendix 1. Terms and Procedures of Payment

In accordance with the provisions of GCC 14 (Contract Price and Payment), the Employer shall pay the Contractor in the following manner and at the following times, based on the price breakdown given in Volume I (Price Schedules). Payments will be made in the currencies quoted by the tenderer unless otherwise agreed between the parties. Applications for payment in respect of part deliveries may be made by the Contractor as work proceeds.

TERMS OF PAYMENT

Schedule No. 1 Plant and Equipment supplied from abroad

In respect of Plant and Equipment supplied from abroad, the following payments shall be made:

Thirty (30) percent of the total CIF or CIP amount as an advance payment against receipt of invoice and an irrevocable advance payment security for the equivalent amount made out in favour of the Employer. The advance payment security may be reduced in proportion to the value of the Plant and Equipment shipped FOB or delivered to the Site, as evidenced by shipping and delivery documents.

Sixty (60) percent of the total FOB or FCA amount upon Incoterm “FOB” or “FCA,” within forty-five (45) days after receipt of invoice and shipping documents. In the event that shipping is delayed upon the written instruction of the Employer for more than twenty-eight (28) days beyond the date shown in the programme of performance provided in accordance with Appendix 2. Time Schedule, the Contractor may make application for this part of the payment against warehouse receipts, provided always that the Plant and Equipment are ready for shipment on the date shown in the said programme.

Sixty (60) percent of the total CIF or CIP amount upon Incoterm “CIF” or “CIP”, upon delivery to Site within forty-five (45) days after receipt of invoice, less eighty (80) percent of the FOB amount already paid or authorised for payment.

Five (5) percent of the total CIF or CIP amount upon issue of the Completion certificate, within forty-five (45) days after receipt of invoice.

Five (5) percent of the total CIF or CIP amount upon issue of the operational acceptance certificate, within forty-five (45) days after receipt of invoice.

Schedule No. 2 Plant and Equipment Supplied from within the Employer’s Country

In respect of Plant and Equipment supplied from within the Employer’s country, the following payments shall be made:

Thirty (30) percent of the total EXW amount as an advance payment against receipt of invoice, and an irrevocable advance payment security for the equivalent amount made out in favour of the Employer. The advance payment security may be reduced in proportion to the value of the Plant and Equipment delivered to the Site, as evidenced by shipping and delivery documents.

Sixty (60) percent of the total EXW amount upon Incoterm “Ex-Works,” upon delivery to the Site within forty-five (45) days after receipt of invoice.

Five (5) percent of the total EXW amount upon issue of the Completion certificate, within forty-five (45) days after receipt of invoice.

Five (5) percent of the total EXW amount upon issue of the operational acceptance certificate, within forty-five (45) days after receipt of invoice.

Schedule No. 3 Local Transportation

In respect of local transportation for both the foreign currency (where applicable) and the local currency portions, the following payments shall be made:

Thirty (30) percent of the total local transportation amount as an advance payment against receipt of invoice, and an irrevocable advance payment security for the equivalent amount made out in favour of the Employer. The advance payment security may be reduced in proportion to the value of the Plant and Equipment delivered to the Site, as evidenced by shipping and delivery documents.

Seventy (70) percent of the total local transportation amount upon delivery to the Site within forty-five (45) days after receipt of invoice.

Schedule No. 4 Installation Services

In respect of installation services for both the foreign and local currency portions, the following payments shall be made:

Thirty (30) percent of the total installation services amount as an advance payment against receipt of invoice, and an irrevocable advance payment security for the equivalent amount made out in favour of the Employer. The advance payment security may be reduced in proportion to the value of work performed by the Contractor as evidenced by the invoices for installation services.

Sixty (60) percent of the measured value of work performed by the Contractor, as identified in the said programme of performance, during the preceding month, as evidenced by the Employer's authorisation of the Contractor's application, will be made monthly within forty-five (45) days after receipt of invoice.

Five (5) percent of the total value of installation services performed by the Contractor as evidenced by the Employer's authorisation of the Contractor's monthly applications, upon issue of the Completion certificate, within forty-five (45) days after receipt of invoice.

Five (5) percent of the total value of installation services performed by the Contractor as evidenced by the Employer's authorisation of the Contractor's monthly applications, upon issue of the operational acceptance certificate, within forty-five (45) days after receipt of invoice.

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Appendix 2. Time Schedule

No.	Item	Date of Start	Finish Day
1	CONTRACT Signature & Effective Date	November 2019	15. Jan. 2020
2	CONTRACTOR mobilization		January 2020
3	SITE Handover		22.1.2020
4	Temporary site Facilities erection	January 2020	
5	Placement Order - Boilers	January 2020	
6	Valid Building Permit		April 2020
7	Civil works start	February 2020	
8	Boiler House Civil Readiness for Technology assembly	May 2020	May 2020
9	Technological assembly completion		September 2020
10	TEST ON COMPLETION - Cold Commissioning	October 2020	
11	Trial Operation as per Building Act	October 2020	
12	TEST ON COMPLETION - Hot Commissioning	November 2020	November 2020
13	TEST ON COMPLETION – Trial Operation & Guarantee Test		December 2020
14	TAKING OVER CERTIFICATE issuance		January 2021
15	SITE Demobilization		January 2021
16	DEFECT NOTIFICATION PERIOD (extended)	January 2021	January 2023
17	Building Statutory Approval	Based on Authorities req.	
18	TEST AFTER COMPLETION	NA	
19	PERFORMANCE CERTIFICATE		February 2022

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Appendix 3. List of Subcontractors

Part 1 Nominated Subcontractors

In the event that the Employer wishes to nominate any particular subcontractor for the undertaking of any part or parts of the Facilities, such subcontractor shall be identified and named by the Employer in the following schedule prior to the issue of the tender documents.

Full details shall be given of the part of the Facilities to be executed, and the names and addresses of the subcontractors to whom the part of the Facilities will be subcontracted by the Contractor. Where more than one name is given for any part of the Facilities, the tenderer shall be free to select any of the named subcontractors for that part.

The Employer shall be responsible for ensuring that any nominated subcontractor comply with the requirements of the provisions regarding country of origin in the General Conditions of Contract, but the Contractor shall be responsible for ensuring that any supply, work or installation services to be provided by the nominated subcontractor comply with the similar requirements regarding country of origin.

Item of Facilities	Nominated Subcontractor
_____	_____

Part 2 Approved Subcontractors

Prior to award of Contract the following details shall be completed indicating those subcontractors, proposed by the tenderer by attachment to its tender, that are approved by the Employer for engagement by the Contractor during the performance of the Contract.

The following subcontractors are approved for carrying out the item of the Facilities indicated. Where more than one subcontractor is listed, the Contractor is free to choose between them, but it must notify the Employer of its choice in good time prior to appointing any selected subcontractor. In accordance with GCC, the Contractor is free to submit proposals for subcontractors for additional items from time to time. No subcontracts shall be placed with any such subcontractors for additional items until they have been approved in writing by the Employer and their names have been added to this list of approved subcontractors.

Item of Facilities	Approved Subcontractors	Nationality
_____	_____	_____

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**EXAMPLE FORM OF PERFORMANCE SECURITY - DEMAND
GUARANTEE**

Brief description of Contract

Name and address of Beneficiary (whom the Contract defines as the Employer).

We have been informed that(hereinafter called the "Principal") is your contractor under such Contract, which requires him to obtain a performance security.

At the request of the Principal, we (*name of bank*)hereby irrevocably undertake to pay you, the Beneficiary/Employer, any sum or sums not exceeding in total the amount of(the "guaranteed amount", say:) upon receipt by us of your demand in writing and your written statement stating:

- (a) that the Principal is in breach of his obligation(s) under the Contract, and
- (b) the respect in which the Principal is in breach.

[Following the receipt by us of an authenticated copy of the taking-over certificate for the whole of the works under clause 10 of the conditions of the Contract, such guaranteed amount shall be reduced by% and we shall promptly notify you that we have received such certificate and have reduced the guaranteed amount accordingly.] (1)

Any demand for payment must contain your [minister's/directors'] (1) signature(s) which must be authenticated by your bankers or by a notary public. The authenticated demand and statement must be received by us at this office on or before (the date 70 days after the expected expiry of the Defects Notification Period for the Works)(the "expiry date"), when this guarantee shall expire and shall be returned to us.

We have been informed that the Beneficiary may require the Principal to extend this guarantee if the performance certificate under the Contract has not been issued by the date 28 days prior to such expiry date. We undertake to pay you such guaranteed amount upon receipt by us, within such period of 28 days, of your demand in writing and your written statement that the performance certificate has not been issued, for reasons attributable to the Principal, and that this guarantee has not been extended.

This guarantee shall be governed by the laws ofand shall be subject to the Uniform Rules for Demand Guarantees, published as number 458 by the International Chamber of Commerce, except as stated above.

Date Signature.....

(1) When writing the tender documents, the writer should ascertain whether to include the optional text, shown in parentheses []

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EXAMPLE FORM OF ADVANCE PAYMENT GUARANTEE

Brief description of Contract

Name and address of Beneficiary (whom the Contract defines as the Employer).

We have been informed that(hereinafter called the "Principal") is your contractor under such Contract and wishes to receive an advance payment, for which the Contract requires him to obtain a guarantee.

At the request of the Principal, we (*name of bank*)hereby irrevocably undertake to pay you, the Beneficiary/Employer, any sum or sums not exceeding in total the amount of(the "guaranteed amount", say:) upon receipt by us of your demand in writing and your written statement stating:

- (a) that the Principal has failed to repay the advance payment in accordance with the conditions of the Contract, and
- (b) the amount which the Principal has failed to repay.

This guarantee shall become effective upon receipt [of the first instalment] of the advance payment by the Principal. Such guaranteed amount shall be reduced by the amounts of the advance payment repaid to you, as evidenced by your notices issued under sub-clause 14.6 of the conditions of the Contract. Following receipt (from the Principal) of a copy of each purported notice, we shall promptly notify you of the revised guaranteed amount accordingly.

Any demand for payment must contain your signature(s) which must be authenticated by your bankers or by a notary public. The authenticated demand and statement must be received by us at this office on or before (the date 70 days after the expected expiry of the Time for Completion) (the "expiry date"), when this guarantee shall expire and shall be returned to us.

We have been informed that the Beneficiary may require the Principal to extend this guarantee if the advance payment has not been repaid by the date 28 days prior to such expiry date. We undertake to pay you such guaranteed amount upon receipt by us, within such period of 28 days, of your demand in writing and your written statement that the advance payment has not been repaid and that this guarantee has not been extended.

This guarantee shall be governed by the laws ofand shall be subject to the Uniform Rules for Demand Guarantees, published as number 458 by the International Chamber of Commerce, except as stated above.

Date Signature.....

Zvolen District Heating Project

Procurement of DH plant rehabilitation works, supply and installation of biomass and gas boilers

Volume III

The Requirements

Zvolen District Heating Project
Procurement of DH plant rehabilitation works, supply and installation of biomass and gas boilers

VOLUME III

TECHNICAL SPECIFICATIONS

Technical specifications are provided separately as an attachment () to this tender document due to their size. Technical specifications comprise of the following documents. Each document provided in this section shall form part of the tender and eventually become part of contractual documents.

List of documents:

1. A_1_scope_R1.pdf
2. A_2_Data_project Assumptions_R0.pdf
3. A_3.1_General_Tech_Requirements_R1.pdf
4. A_3.2_list_of_connection_point_r0.pdf
5. A_3.2_Technical_requirements_mech_part_r0.pdf
6. A_3.3_Technical_requirements_architectural_building_part_r0.pdf
7. A_3.4_Technical_Requirements_I&C_R1.pdf
8. A_3.5_Technical_requirements_electro_part_r0.pdf
9. A_3.6_ProjectMilestones_R2.pdf
10. A_3.7_Hydrogeological_and_other_survey_r0.pdf
11. A_4_Contractors_Documents_R1.pdf
12. A_5_Acceptance_procedures_R1.pdf
13. A_6_Requirements_guarantees_R1.pdf
14. A_7_Standards_R1.pdf
15. A_8_Erection_Phase_R1.pdf
16. „ESAP ZVT_final.pdf “- Environmental and Social Action Plan developed for the Zvolen District Heating project; which the contractor will be obliged to adhere to during the realization phase.
17. „ZV 120 – C.1.pdf “– drawing of the existing stack.

VOLUME III

DRAWINGS

Drawings are provided separately as an attachment (02_Drawings) to this tender document due to their size.

List of documents is provided below, each document provided in this section shall form part of the tender and eventually become part of contractual documents.

List of drawings:

1. ANNEX A-DC-01_GENERAL LAYOUT_r0.pdf
2. ANNEX A-DC-02_LAYOUT OF DEMOLITIONS_r0.pdf
3. ANNEX A-DE-01_Single line diagram.pdf
4. ANNEX A-DE-02-Main cable trays +0,000-Layout1.pdf
5. ANNEX_A_DM_02_Podlazi_0,00 m_R3.pdf
6. ANNEX_A_DM_03_Pricny_rez_A-A_R2.pdf
7. ANNEX_A_DM_04_Pricny rez_B-B_R2.pdf
8. ANNEX_A_DM_01_Functional Diagram_R1.pdf