

Invitation for Expressions of Interest for

Zvolen District Heating Project - Review of Feasibility Study and Designs

Procurement ref: 3
Country: Slovakia
Project number: 1
Funding sources: IIB Loan proceeds
Contract type: Consultancy Services
Notice type: Invitation for expressions of interest
Issue date: 15 February 2019
Closing date: 1 March 2019, 12:00 Zvolen local time

This Open Tender and all issues related to it shall be subject to the relevant law of the EU, Slovakia and the Procurement Rules for Projects Financed by International Investment Bank (“Procurement Rules”)

One-stage Open Tender

Background:

The International Investment Bank (the “IIB” or the “Bank”) is considering to provide a loan of up to EUR 30.9 million to the Zvolenska teplarenska, a.s. (the “ZVTP” or “Company”) in the City of Zvolen (“Zvolen” or the “City”) in the Central Slovakia.

The Bank’s financing is aimed to replace existing coal-powered combined heat and power plant (further as “CHP” plant) ceased to meet emission limits with wooden biomass fired heating plant including rehabilitation works, supply and installation of biomass and gas boilers. The Company plans to construct a new biomass-based district heating plant of total capacity currently planned at 77.5 MWt consisting of several heat-only boilers. The new district heating plant (further as “DH” plant) will be located in already existing, but unused building on the main land of the Company near the existing heating plant and will be connected to the existing heat distribution network.

The rationale for the investment stems from the need to decrease the emission of SO₂, NO_X and dust in accordance with Directive 2010/75 / EU of the European Parliament and Decree of the Ministry of the Environment of the Slovak Republic No 410/2012. Continuing operations requires rebuilding the plant and installing modern technology, making it operational no later than on 30.6.2020 (the technical and commercial completion date of the new DH Plant). Since that date the Company will no longer be able to use coal for heat generation because of regulatory constraints.

The Company and the Bank have now agreed that the assistance of an experienced firm (the “Consultant”) is required in order to speed up project preparation – mainly in area of review of feasibility study and verification of technical parameters of the project and review of detailed designs for construction of new DH plant.

Specific tasks include, inter alia:

The overall objective of this Assignment is to review the feasibility study, confirm technical parameters of the project, proposed technical solutions and detailed designs (prepared for the project by separate engineering consultant) and provide reports on the review.

The project work and reports should provide comments and advice and/or confirmation to the Company in terms of:

- Company's technical needs and parameters in relation to supply and demand of heat,
- Recommended capacity and type of the boilers,
- Investment costs and financials for the repayment,
- Biomass supply, storage and handling system,
- Review of detailed designs of the new DH plant,
- Fulfilment of standard requirements for designs to be included in tenders run under Multilateral Development Bank procurement rules (further as "MDB"),
- Preparation of Zero Report for the Bank.

The Consultant shall review the technical specifications and Bill of quantities in accordance with the "*Guidelines for Preparation of Technical Specifications and Bill of Quantities*", or similar equivalent guideline generally used in projects funded and procured under MDB rules.

It is expected that with the involvement of the selected consultant ("the Consultant"), the Company will have access to best practice in the industrial practice and innovative solutions, as well as advice on specific technical, operational and engineering issues. The Consultant will provide assistance in accordance with the procedures and documentation of the Bank and pursuant to all other agreements stipulated in the Loan Agreement and other agreements signed between the Company, and IIB.

More details about the expected work of the consultant is in the attached Terms of Reference.

Status of Selection Process: Interested firms or group of firms are hereby invited to submit expressions of interest.

Assignment Start Date and Duration: The Assignment is expected to start in February 2019 and has an estimated overall duration of 3 months.

Cost Estimate for the Assignment: up to EUR 150,000 (exclusive of VAT).

The Consultant must determine whether any indirect taxes/VAT are chargeable on the proposed services and state the basis for such. If any indirect taxes/VAT are payable, the Client will have to pay indirect taxes/VAT element to the services directly to the Consultant unless otherwise agreed.

Funding Source: IIB Loan proceeds

Eligibility: The Bank prefers consultants (including Joint Ventures and their individual members) from the eligible countries as stated in "Procurement Rules for Projects Financed by the International Investment Bank" to offer consulting services for Bank-financed projects. The full list of member states is available at the following link - <https://iib.int/en/countries>.

Consultant Profile: Corporate services are required. The Consultant shall be responsible for mobilisation of qualified project manager, engineers and designers with proven experience in the preparation and review of designs in infrastructure projects financed by MDBs. The experts

shall be experienced in preparation and review of feasibility studies for infrastructure projects, including district heating in region with similar climatic conditions.

The Consultant shall employ experts with a good and proven knowledge of the local design and construction laws and regulations to ensure compliance with the laws and regulations.

The Consultant shall possess relevant licenses, certifications, permits in relation to perform engineering and design or other specialised services related to the Assignment within Slovakia / European Union.

The Consultant shall provide adequate staff in terms of expertise and time allocation, as well as needed equipment in order to complete the activities required under the scope of work and to finally achieve the objectives of the project in terms of time, costs and quality.

The Consultant shall be responsible for mobilisation of qualified team of experts with proven experience. Where staff does not speak the local language, interpretation and translation will be the responsibility of the Consultant. All proposed experts of the Consultant shall have valid work permits applicable for Slovakia or to be citizens of EU Member States or shall reasonably demonstrate at the time of bid submission that such work permits will be obtained by the time of contract signature without causing delays in the Assignment.

It is anticipated that the Consultant's team shall include at least the following expertise:

- Team leader/Project Manager;
- Local Project Manager;
- Financial / Economic Expert;
- Engineers/Designers:
 - Civil;
 - Mechanical;
 - Electrical;
 - SCADA;
 - District heating;
- Environmental and Social Expert.

All experts shall preferably have a minimum of 5 years' experience of the activity which they are proposed for, except for Team leader/Project Manager and District Heating Engineers where 8 years of experience is required. The experts shall also have the following experience for positions they are proposed, including:

- have design and project management experience gained in countries with conditions similar to Slovakia;
- have experience with DH plant construction/rehabilitation, or DH plant construction supervision or DH plant operations of at least 1 DH plant in managerial position; have experience in preparation and review of feasibility studies for infrastructure projects financed by various MDBs (preferably to have work experience from both sides – working for MDBs for preparation/review of feasibility study and also for final beneficiaries/investors.)
- have experience in review and validation of infrastructure engineering projects incl. district heating rehabilitation and upgrade projects;
- have experience in design and design review of infrastructure engineering projects incl. district heating rehabilitation and upgrade projects;

- have experience in (i) planning, design and design review activities; (ii) assistance with planning and design activities; (iii) project management; (iv) project management assistance; (v) engineering; (vi) preparation / review of feasibility studies in projects financed by various MBDs; (vii) financial / economic appraisals of infrastructure projects;
- have a good knowledge of requirements for designs and technical documentation from projects tendered under procurement procedures and rules of Multilateral Development Banks, such as the IIB, EBRD, World Bank, EIB
- have a good knowledge of FIDIC Red Book; and,
- have a good knowledge of requirements of Slovak legislation concerning designs, construction, engineering, environmental and social issues.
- be able to work proficiently in English, fluency in Slovak would be an advantage;

Submission Requirements: In order to determine the capability and experience of Consultants to be shortlisted, the information submitted should include the following:

(a) brief overview of the firm/group of firms including company profile, organisation and staffing;

(b) details of similar experience of firm or group of firms and related assignments undertaken in the previous five years, including information on contract value, contracting entity/client, project location/country, duration (mm/yy to mm/yy), expert months provided, assignment budget, percentage carried out by consultant in case of association of firms or subcontracting, main activities, objectives;

(c) CVs of key experts who could carry out the Assignment detailing qualifications, experience in similar assignments, particularly assignments undertaken in the previous ten years, including information on contracting entity/client, project location/country, duration (mm/yy to mm/yy), expert months provided, assignment budget, main activities, objectives.

(d) Completed Consultant Declaration and Contact Sheet, the template for which is part of the package for this selection.

The expression of interest shall not exceed 25 pages (excluding CVs and contact sheet).

One original and 1 copy of the expression of interest, in both English and Slovak, shall be submitted to the Company in an envelope marked “**EXPRESSION OF INTEREST for Zvolen District Heating Project - Review of Feasibility Study and Designs**”, to reach the Company not later than 12:00 (Zvolen time) on the closing date.

One further electronic copy, preferably one file in pdf for the English version, one file in pdf for the Slovak version, no larger than 4 MB per file, should be submitted to the Company via e-mail by the same due date.

Important Notes:

1. The selection will normally be made from responses to this notification only. The highest-ranked Consultant will be selected from a shortlist and be invited to negotiate the contract,

subject to availability of funding. Consultant selection and contracting will be subject to availability of funding.

2. The criteria for evaluation are as follows:

- (i) Specific similar project experience in preparation and preparatory studies: 10%
- (ii) Specific similar project experience in preparation / review of detailed designs: 10%
- (iii) Specific experience in direct implementation of district heating projects: 15%
- (iv) Specific design/engineering experience from projects financed by MDBs (e.g. IIB, EBRD, WB, EIB): 5%
- (v) Experience in the region: 10%
- (vi) Capacity of the firm, organisational structure and local/regional presence: 20%
- (vii) Availability and CVs of experts and knowledge of Slovak: 30%
 - Education 10%
 - Specific experience from preparation of studies and preparation / review of detailed designs 35%
 - Specific project experience 20%
 - Specific regional experience 20%
 - Specific experience from projects financed by MDBs (e.g. IIB, EBRD, WB, EIB, etc.) 5%
 - Fluency in Slovak 10%

CONTACTS

Executing Agency (Company):

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 2 903 457 638

E-mail: duplinsky@zvtp.sk