

SELECTION OF CONSULTANTS

SINGLE STAGE OPEN COMPETITIVE SELECTION REQUEST FOR PROPOSALS

Selection of Consulting Services for:

Zvolen District Heating Project – Construction supervision, role of FIDIC
engineer

Client: Zvolenská teplárenská, a.s.

Country: Slovakia

Project: Zvolen District Heating Project

Issued on: 3 September 2019

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Section 1.1. Letter of Invitation – Single Stage Open Competitive Selection – Request for Proposals

Zvolen District Heating Project – Construction supervision, role of FIDIC engineer

Bratislava, 3 September 2019

Dear Sir or Madam,

1. The International Investment Bank (the “IIB” or the “Bank”) is providing a loan of up to EUR 31 million to the Zvolenská teplárenská, a.s. (the “ZVTP” or “Company” or “Client”) in the City of Zvolen (“Zvolen” or the “City”) in Slovakia.
2. The Bank’s financing will be focused on construction of a new biomass fired district heating plant with total installed capacity of about 77.5 MW. The investment is aimed to replace existing coal-powered DH plant ceased to meet emission limits with wood biomass and will contain a new complete plant including DH plant rehabilitation works, supply and installation of biomass and gas boilers.
3. 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, since the Company will no longer be able to use coal in the heating plants because of regulatory constraints.
4. The investments will be procured in accordance with the IIB’s Procurement Rules for projects financed by International Investment Bank.
5. The Company and the Bank have now agreed that the assistance of an experienced and reputable consultancy firm or consortium of consultancy firms (the “Consultant”) is required in order to provide construction supervision services as FIDIC Engineer.
6. The Company now invites proposals to provide the following consulting services (hereinafter called “Services”): Zvolen District Heating Project – Construction supervision. More details on the Services are provided in the Terms of Reference (Section 2.1).
7. A firm will be selected under *Quality / Cost based Selection (QCBS)* procedures and in a *Full Technical Proposal (FTP)* format as described in this RFP, in accordance with the policies of the Bank, detailed in Procurement Rules for Projects Financed by International Investment Bank which can be found at the following website: <https://iib.int/en/tenders-procurement-rules>

8. The RFP includes the following documents:

- Section 1.1 - Letter of Invitation
- Section 1.2 - Instructions to Consultants and Data Sheet
- Section 1.3 – Evaluation Criteria
- Section 1.4 - Technical Proposal (FTP) – Standard Forms
- Section 1.5 - Financial Proposal - Standard Forms
- Section 2.1 - Terms of Reference
- Section 3.1 - Standard Form of Contract

9. Details on the proposal's submission date, time and address are provided in Clauses 18.8 and 18.10 of the ITC.

Yours sincerely,

RNDr. Miroslav Duplinský
Member of the Board of Directors and
Director of Production and Maintenance
Zvolenská teplárenská, a.s.
Lučenecká cesta 25
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Section 1.2. Instructions to Consultants and Data Sheet

A. General Provisions

1. Definitions	<ul style="list-style-type: none">(i) “Affiliate(s)” means an individual or an entity that directly or indirectly controls, is controlled by, or is under common control with the Consultant.(ii) “Applicable Guidelines” means the policies of the International Investment Bank governing the selection and Contract award process as set forth in this RFP.(iii) “Applicable Law” means the laws and any other instruments having the force of law in the Client’s country, or in such other country as may be specified in the Data Sheet, as they may be issued and in force from time to time.(iv) “Bank” or “IIB” means the International Investment Bank(v) “Bank Assets” means any property or asset owned or administered by the Bank, including the Bank’s name, intellectual property and registered service marks.(vi) “Bank Resources” means the Bank’s ordinary capital resources, Special Funds resources, and/or cooperation funds or trust funds administered by the Bank.(vii) “Recipient” means the Government, Government agency or other entity that signs the loan, grant, financing or project agreement with the Bank.(viii) “Client” or “Company” means the executing agency that signs the Contract for the Services with the selected Consultant.(ix) “Consultant” means a legally-established professional consulting firm or an entity that may provide or provides the Services to the Client under the Contract.(x) “Contract” means a legally binding written agreement signed between the Client and the Consultant and includes all the attached documents listed in its Contract Form (the General Conditions of Contract (“GCC”), the Special Conditions of Contract (“SCC”), and the Appendices).(xi) “Data Sheet” means an integral part of the RFP that is used to reflect specific country and assignment conditions to supplement, but not to over-write, the
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	<p>provisions of the ITC.</p> <p>(xii) “Day” means a calendar day.</p> <p>(xiii) "Donor" means the provider of the Grant funds as specified in the Data Sheet.</p> <p>(xiv) “Experts” means, collectively, Key Experts, Non-Key Experts, or any other personnel of the Consultant, Sub-consultant or Joint Venture member(s).</p> <p>(xv) “Government” means the government of the Client’s country.</p> <p>(xvi) "Grant" means the amount of funds to be made available by the Donor to the Bank, as administrator, for the purposes of financing the Contract.</p> <p>(xvii) "Joint Venture, Consortium or Association (“JVCA”)" means an association with or without a legal personality distinct from that of its members, of more than one Consultant where one member has the authority to conduct all business for and on behalf of any and all the members of the JVCA, and where the members of the JVCA are jointly and severally liable to the Client for the performance of the Contract.</p> <p>(xviii) “Key Expert(s)” means an individual professional whose skills, qualifications, knowledge and experience are critical to the performance of the Services under the Contract and whose CV is taken into account in the technical evaluation of the Consultant’s proposal.</p> <p>(xix) “ITC” means the Instructions to Consultants that provides the Consultants with all information needed to prepare their Proposals.</p> <p>(xx) “LOI” means the Letter of Invitation issued by the Client to the Consultants.</p> <p>(xxi) “Non-Key Expert(s)” means an individual professional provided by the Consultant or its Sub-consultant and who is assigned to perform the Services or any part thereof under the Contract and whose CVs are not evaluated individually.</p> <p>(xxii) "Notice" is the procurement notice published on the Bank’s website and other channels, if applicable, which invites consultants to submit Proposals.</p> <p>(xxiii) “Proposal” means the Technical Proposal with, or without a Financial Proposal of the Consultant, as the case might be.</p>
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	<p>(xxiv) "RFP" means this request for proposals.</p> <p>(xxv) "Services" means the work to be performed by the Consultant pursuant to the Contract.</p> <p>(xxvi) "Sub-consultant" means an entity to whom the Consultant intends to subcontract any part of the Services while remaining responsible to the Client during the performance of the Contract.</p> <p>(xxvii) "Third Party Finding" means a final judgment of a judicial process in a member country of the Bank or a finding by the enforcement (or similar) mechanism of an international organisation, which is not a Mutual Enforcement Institution, that an individual or entity has engaged in a Prohibited Practice or equivalent act of that member country or international organisation.</p> <p>(xxviii) "TORs" means the Terms of Reference that explain the objectives, scope of work, activities, tasks to be performed, respective responsibilities of the Client and the Consultant, and expected results and deliverables of the Services.</p>
<p>2. Introduction</p>	<p>2.1. The Client named in the Data Sheet intends to select a Consultant from the Consultants responding to this RFP, in accordance with the method of selection specified in the Data Sheet.</p> <p>2.2. The Consultants are invited to submit a Proposal, which may consist of one of the following: a Technical Proposal only; or a Technical Proposal and a Financial Proposal, as specified in the Data Sheet, for consulting services required for the assignment named in the Data Sheet. The Proposal will be the basis for negotiating and ultimately signing the Contract with the selected Consultant.</p> <p>2.3. The Consultants should familiarize themselves with the local conditions and take them into account in preparing their Proposals, including attending a pre-response conference if one is specified in the Data Sheet. Attending any such pre-response conference is optional and is at the Consultants' expense.</p> <p>2.4. The Client will provide in good time, at no cost to the Consultants, the inputs, relevant project data, and reports required for the preparation of the Consultant's Proposal as specified in the Data Sheet.</p>
<p>3. Conflict of Interest</p>	<p>3.1. The Consultant is required to provide professional, objective, and impartial advice at all times, holding the Client's interests paramount, strictly avoiding conflicts with other assignments or its own corporate interests, and acting without any consideration for</p>

	<p>future work.</p> <p>3.2. The Consultant has an obligation to disclose to the Client any situation of actual or potential conflict that impacts its capacity to serve the best interest of its Client. Failure to disclose such situations may lead to the disqualification of the Consultant or the termination of its Contract by the Client, and/or sanctions by the Bank.</p> <p>3.2.1. Without limitation on the generality of the foregoing, and unless stated otherwise in the Data Sheet, the Consultant shall not be contracted under the circumstances set forth below:</p>
<p>a. Conflicting activities</p>	<p>(i) <u>Conflict between consulting activities and procurement of goods, works or non-consulting services:</u> a firm that has been engaged by the Client to provide goods, works, or non-consulting services for a project, or any of its Affiliates, shall be disqualified from providing consulting services resulting from or directly related to those goods, works, or non-consulting services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, or any of its Affiliates, shall be disqualified from subsequently providing goods or works or non-consulting services resulting from or directly related to the consulting services for such preparation or implementation.</p>
<p>b. Conflicting assignments</p>	<p>(ii) <u>Conflict among consulting assignments:</u> a Consultant (including its Experts and Sub-consultants) or any of its Affiliates shall not be contracted for any assignment that, by its nature, may be in conflict with another assignment of the Consultant for the same or for another Client.</p>
<p>c. Conflicting relationships</p>	<p>(iii) <u>Relationship with the Client’s staff:</u> a Consultant (including its Experts and Sub-consultants) that has a close business or family relationship with a professional staff of the Recipient, or the Client or of a recipient of a part of the loan or grant who are directly or indirectly involved in any part of (i) the preparation of the Terms of Reference for the assignment, (ii) the selection process for the Contract, or (iii) the supervision of the Contract, may not be awarded a Contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Bank throughout the selection process and the execution of the Contract.</p> <p>(iv) <u>Relationship with the Client:</u> a Consultant cannot be an affiliate of the Client unless it can be demonstrated that there is not a significant degree of common ownership,</p>

	<p>influence or control between the Client and the Consultant and that the Consultant would not be placed in a position where its judgement in the execution of the assignment may be biased.</p> <p>(v) Any other types of conflicting relationships as indicated in the Data Sheet.</p>
<p>4. Unfair Competitive Advantage</p>	<p>4.1. Fairness and transparency in the selection process require that the Consultants or their Affiliates competing for a specific assignment do not derive a competitive advantage from having provided consulting services related to the assignment in question. To that end, the Client shall indicate in the Data Sheet and make available to all Consultants together with this RFP all information that would in that respect give such Consultant any unfair competitive advantage over competing Consultants.</p>
<p>5. Prohibited Practices</p>	<p>5.1. The Bank requires that Borrowers (including beneficiaries of Bank-financed operations), as well as tenderers, suppliers, sub-suppliers, contractors, subcontractors, concessionaires, consultants and sub-consultants under Bank financed contracts, observe the highest standard of transparency and integrity during the procurement, execution, and implementation of such contracts.</p> <p>5.2. The Borrower (including beneficiaries of Bank-financed operations), as well as tenderers, suppliers, sub-suppliers, contractors, sub-contractors, concessionaires, consultants, or sub-consultants, shall not, and shall not authorise or permit any of their officers, directors, authorised employees, affiliates, agents or representatives to engage in Prohibited Practices with respect to the procurement, award, or execution of the Contract.</p> <p>5.3. If the Bank has grounds to suppose that the Borrower (including beneficiaries of the Projects financed by the Bank), as well as tenderers, suppliers, including any subcontractors of the Projects financed by the Bank and/or their employees violate the Procurement Rules for projects financed by the Bank and/or procurement requirements, and/or the loan agreement, and/or are involved in or use Prohibited practices, the Bank shall have the right to inform the Client accordingly and to suspend/terminate/withdraw/cancel the financing of the Project, to start the repeated procurement procedure and/or to use other acceptable measures based on its statutory and internal normative documents.</p> <p>5.4. In contracts financed by the Bank, the Bank requires a provision mandating tenderers, suppliers, sub-suppliers, contractors, sub-contractors, concessionaires, consultants, and sub-consultants to permit the Bank or persons appointed by the Bank to inspect the Site and / or to inspect their assets, books, accounts and records relating to the Contract and to have such assets, books, accounts and records audited by auditors appointed</p>

	<p>by the Bank, if required by the Bank.</p> <p>The tenderers, suppliers, sub-suppliers, contractors, sub-contractors, concessionaires, consultants, and sub-consultants shall require their officers, directors, employees or agents with knowledge of the Contract to respond to questions from the Bank and to provide to the Bank any information or documents necessary for (i) the investigation of allegations of Prohibited Practices, or (ii) the Bank’s monitoring and evaluation of the Contract and to enable the Bank to examine and address any project-related complaints.</p> <p>The tenderers, suppliers, sub-suppliers, contractors, sub-contractors, concessionaires, consultants, and sub-consultants shall maintain all books, documents and records related to the Contract in accordance with applicable law but in any case for at least six years from the date of substantial performance of the Contract.</p> <p>5.5. For the purposes of this provision, Prohibited Practices are defined as one or more of the following:</p> <p>Corruption, coercion, collusion, obstructive actions, fraud, legalization (laundering) of proceeds from crime, financing of terrorism.</p>
6. Eligibility	<p>6.1. The Bank permits consultants (individuals and firms, including JVCA’s and their individual members) from all countries to offer consulting services for Bank-financed projects, unless otherwise provided in the Data Sheet.</p> <p>6.2. Furthermore, it is the Consultant’s responsibility to ensure that its Experts, joint venture members, Sub-consultants, agents (declared or not), sub-contractors, service providers, suppliers and/or their employees meet the eligibility requirements as established by the Bank in the Data Sheet.</p>
7. General Considerations	<p>7.1. In preparing the Proposal, the Consultant is expected to examine the RFP in detail. Failure to provide the information requested in the RFP may result in rejection of the Proposal.</p>
8. Cost of Preparation of Proposal	<p>8.1. The Consultant shall bear all costs associated with the preparation and submission of its Proposal, and the Client shall not be responsible or liable for those costs, regardless of the conduct or outcome of the selection process. The Client is not bound to accept any Proposal, and reserves the right to annul the selection process at any time prior to Contract award, without thereby incurring any liability to the Consultant.</p>
9. Language	<p>9.1. The Proposal, as well as all correspondence and documents relating to the Proposal exchanged between the Consultant and the Client, shall be written in the language(s) specified in the Data Sheet.</p>

<p>10. Only One Proposal</p>	<p>10.1. The Consultant (including the individual members of any JVCA) shall submit only one Proposal, either in its own name or as part of a JVCA in another Proposal. If a Consultant, including any Joint Venture member, submits or participates in more than one Proposal, all such Proposals shall be disqualified and rejected. For the purpose of this Article a sub-consultant is not considered to be participating in a Proposal.</p>
<p>11. Clarification and Amendment of the RFP</p>	<p>11.1. The Consultant may request a clarification of any part of the RFP documents during the period indicated in the Data Sheet before the Proposals' submission deadline. Any request for clarification must be sent in writing, or by electronic means as specified in the Data Sheet, to the Client's address indicated in the Data Sheet. The Client will respond in writing, or by electronic means, as specified in the Data Sheet, and will make written copies of the response (including an explanation of the query but without identifying its source) available to Consultants. Should the Client deem it necessary to amend the RFP documents as a result of a clarification, it shall do so following the procedure described below:</p> <p style="padding-left: 40px;">11.1.1. At any time before the Proposal submission deadline, the Client may amend the Notice and/ or the RFP by issuing an amendment in writing or by electronic means as specified in the Data Sheet. The amendment will be binding on all Consultants. The Consultants shall acknowledge receipt of all amendments sent in writing, if requested to do so.</p> <p style="padding-left: 40px;">11.1.2. If the amendment is substantial, the Client may extend the Proposal submission deadline to give the Consultants reasonable time to take an amendment into account in their Proposals.</p> <p>11.2. The Consultant may submit a modified Proposal or a modification to any part of it at any time prior to the Proposal submission deadline. No modifications to the Proposal shall be accepted after the deadline.</p>
<p>12. Confidentiality</p>	<p>12.1. From the time the Proposals are opened to the time that the Contract is awarded, the Consultant should not contact the Client on any matter related to its Proposal. Information relating to the evaluation of Proposals and award recommendations shall not be disclosed to the Consultants who submitted the Proposals or to any other party not officially concerned with the process, until the publication of the Contract award information.</p> <p>12.2. Any attempt by the Consultant or anyone on behalf of the Consultant to influence improperly the Client in the evaluation of the Proposals or Contract award decisions may result in the rejection of its Proposal, and may be subject to the application of</p>

	<p>the Bank’s prevailing sanctions procedures.</p> <p>12.3. Notwithstanding the above provisions, from the time of the Proposals’ opening to the time of Contract award publication, if a Consultant wishes to contact the Client on any matter related to the selection process, it may do so only in writing.</p> <p>12.4. Notwithstanding the above provisions, from the time of the Proposals’ opening to the time of Contract award publication, if a Client wishes to contact the Consultant to request clarifications of any aspect of their Proposal it may do so only in writing, providing reasonable time for the Consultant to submit a Proposal.</p>
<p>13. Documents Comprising the Proposal</p>	<p>13.1. The Proposal shall comprise the documents and forms listed in the Data Sheet.</p> <p>13.2. The Consultant shall furnish information on commissions, gratuities, and fees, if any, paid or to be paid to agents or any other party relating to this Proposal and, if awarded, Contract execution, as requested in the Financial Proposal submission form (Section 1.5.).</p>
<p>14. Validity of Proposals</p>	<p>14.1. The Data Sheet indicates the period during which the Consultant’s Proposal must remain valid after the Proposal submission deadline.</p> <p>14.2. During this period, the Consultant shall maintain its original Proposal without any change, including the availability of the Key Experts, the proposed rates and the total price.</p> <p>14.3. If it is established that the Consultant knew, or should have known at the time of Proposal submission, that any Key Expert nominated in the Consultant’s Proposal would not be available to perform the Services or was included in the Proposal without his/her confirmation, such Proposal shall be disqualified and rejected for further evaluation, and may be subject to sanctions in accordance with Clause 5 of this ITC.</p>
<p>a. Extension of Validity Period</p>	<p>14.4. The Client will make its best effort to complete the evaluation and negotiations within the Proposal’s validity period. However, should the need arise, the Client may request, in writing, all Consultants who submitted Proposals prior to the submission deadline to extend the Proposals’ validity.</p> <p>14.5. If the Consultant agrees to extend the validity of its Proposal, it shall be done without any change in the original Proposal and with the confirmation of the availability of the Key Experts.</p> <p>14.6. The Consultant has the right to refuse to extend the validity of its Proposal in which case such Proposal will not be further evaluated.</p>

<p>b. Substitution of Key Experts at Validity Extension</p>	<p>14.7. If any of the Key Experts become unavailable for the extended validity period, the Consultant shall provide a written adequate justification and evidence satisfactory to the Client together with the substitution request. In such case, a replacement Key Expert shall have equal or better qualifications and experience than those of the originally proposed Key Expert. The technical evaluation score, however, will remain to be based on the evaluation of the CV of the original Key Expert.</p> <p>14.8. If the Consultant fails to provide a replacement Key Expert with equal or better qualifications, or if the provided reasons for the replacement or justification are unacceptable to the Client, such Proposal will be rejected, subject to the Bank’s prior no objection.</p>
<p>c. Sub-Contracting</p>	<p>14.9. The Consultant shall not subcontract the whole of the Services, unless otherwise indicated in the Data Sheet.</p>
<p>15. Preparation of Proposals – Specific Considerations</p>	<p>15.1. While preparing the Proposal, the Consultant must give particular attention to the following:</p> <p>15.1.1. If a Consultant considers that it may enhance its expertise for the assignment by associating with other consultants in the form of a JVCA or as Sub-consultants.</p> <p>15.1.2. The Client may indicate in the Data Sheet the estimated Key Experts’ time input (expressed in person-month) or the Client’s estimated total cost of the assignment, but not both. This estimate is indicative and the Proposal shall be based on the Consultant’s own estimates for the same.</p> <p>15.1.3. If stated in the Data Sheet, the Consultant shall include in its Proposal at least the same time input (in the same unit as indicated in the Data Sheet) of Key Experts, failing which the Financial Proposal will be adjusted for the purpose of comparison of Proposals and decision for award in accordance with the procedure in the Data Sheet.</p> <p>15.1.4. For assignments under the Fixed-Budget selection method, the estimated Key Experts’ time input is not disclosed. The total available budget, exclusive of indirect taxes, is given in the Data Sheet, and the Financial Proposal shall not exceed this budget.</p>
<p>16. Format and Content of the Proposal</p>	<p>16.1. A Technical Proposal shall not include any information on the price of the Services. A Technical Proposal containing information on the price of the Services shall be declared non-responsive.</p> <p>16.2. Depending on the nature of the assignment, the Consultant is required to submit a Full Technical Proposal (FTP), or a</p>

	Simplified Technical Proposal (STP) as indicated in the Data Sheet and using the Standard Forms provided in Section 1.4 of the RFP.
17. Financial Proposal	17.1. The Financial Proposal shall be prepared using the Standard Forms provided in Section 1.5 of the RFP. It shall list all costs required by the RFP.
a. Price Adjustment	17.2. For assignments with a duration exceeding 18 months, a price adjustment provision for foreign and/or local inflation for remuneration rates applies if so stated in the Data Sheet .
b. Taxes	17.3. The Consultant and its Sub-consultants and Experts are responsible for meeting all tax liabilities arising out of the Contract unless stated otherwise in the Data Sheet . Information on taxes in the Client's country may be provided in the Data Sheet but the onus remains with the Consultant to ascertain the taxes that will apply in the event of a contract.
c. Currency of Proposal	17.4. The Consultant shall express the price for its Services in the currency or currencies as stated in the Data Sheet . If indicated in the Data Sheet , the portion of the price representing local cost shall be stated in the national currency.
d. Currency of Payment	17.5. Payment under the Contract shall be made in the currency or currencies in which the payment is requested in the Proposal.
18. Submission, Sealing, and Marking of Proposals	<p>18.1. The processes and procedures which apply to the submission and evaluation will follow the applicable evaluation method, stated in Section 2.1 of the Data Sheet.</p> <p>18.2. The submission can be done by mail or by hand, or if specified in the Data Sheet.</p> <p>18.3. The Consultant shall submit a signed and complete Proposal comprising the documents and forms in accordance with the RFP and the requirements set out in the Data Sheet.</p> <p>18.4. An authorized representative of the Consultant shall sign the original submission letters in the required format for both the Technical Proposal and, if applicable, the Financial Proposal, and shall initial all pages of both, if submitted by mail or by hand. The authorization shall be in the form of a written power of attorney attached to the Proposal.</p> <p style="padding-left: 40px;">18.4.1. A Proposal submitted by a JVCA shall be signed by all members so as to be legally binding on all members, or by an authorized representative who has a written power of attorney signed by each member's authorized representative and attached to the Proposal.</p> <p>18.5. Any modifications, revisions, interlineations, erasures, or overwriting shall be valid only if they are signed or initialled by</p>

	<p>the person signing the Proposal.</p> <p>18.6. The signed Proposal shall be marked “Original”, and its copies marked “Copy” as appropriate. The number of copies is indicated in the Data Sheet. All copies shall be made from the signed original. If there are discrepancies between the original and the copies, the original shall prevail.</p> <p>18.7. The Proposals shall be placed into one outer envelope and sealed. This outer envelope shall bear the submission address, the name and reference number of the assignment, the name and address of the Consultant, and with a warning “Do Not Open Before [<i>Consultant to insert the date and the time of the Proposal submission deadline</i>]”.</p> <p>18.8. If required in the Data Sheet, the Consultant shall submit their Technical Proposal and Financial Proposal under separate sealed envelopes, with the following modalities:</p> <p style="padding-left: 40px;">18.8.1. If required in the Data Sheet, the original and all the copies of the Technical Proposal shall be placed inside a sealed envelope clearly marked “Technical Proposal”, where the Consultant shall mark the name and reference number of the assignment, the name and address of the Consultant, and with a warning “Do Not Open until [<i>Consultant to insert the date and the time of the Technical Proposal submission deadline</i>].”</p> <p style="padding-left: 40px;">18.8.2. If required in the Data Sheet, the original Financial Proposal (if required for the applicable selection method), submitted by mail or by hand, shall be placed inside of a sealed envelope clearly marked “Financial Proposal” followed by the name and reference number of the assignment, the name and address of the Consultant, and with a warning “Do Not Open With The Technical Proposal.”</p> <p>18.9. If the envelopes and packages with the Proposal are not sealed and marked as required, the Client will assume no responsibility for the misplacement, loss, or premature opening of the Proposal.</p> <p>18.10. The Proposal or its modifications must be sent to the address indicated in the Data Sheet and received by the Client no later than the deadline indicated in the Data Sheet, or any extension to this deadline. Any Proposal or its modification received by the Client after the deadline shall be declared late and rejected, and promptly returned unopened.</p>
<p>19. Opening of Proposals</p>	<p>19.1. The process for opening of Proposals submitted by mail or by hand shall be conducted in accordance with this Clause.</p>

	<p>19.2. The Client shall conduct the opening of the Proposals in the presence of the Consultants’ authorized representatives who choose to attend (in person, or online if this option is offered in the Data Sheet).</p> <p>If Financial Proposals are submitted in separate, sealed envelopes, in accordance with Clause 18.8 of the ITC, the envelopes with the Financial Proposal shall remain sealed and shall be securely stored until they are opened in accordance with Clause 23 of the ITC.</p> <p>19.3. At the opening of the Proposals the following shall be read out, or otherwise communicated: (i) the name and the country of the Consultant or, in case of a JVCA, the name of the JVCA, the name of the lead member and the names and the countries of all members; (ii) the presence or absence of a duly sealed envelope with the Financial Proposal (if applicable); (iii) any modifications to the Proposal submitted prior to proposal submission deadline; and (iv) any other information deemed appropriate or as indicated in the Data Sheet.</p>
20. Proposals Evaluation	<p>20.1. While evaluating the Proposals, the Client will conduct the evaluation solely on the basis of the submitted Proposals and any clarifications sought and received by the Client in accordance with Clause 12.4 of this ITC. The Consultant is not permitted to alter or modify its Proposal in any way after the Proposal submission deadline except as permitted under Clause 11.2 of this ITC.</p>
21. Evaluation of Technical Proposals	<p>21.1. The Client’s evaluation committee shall evaluate the Technical Proposals on the basis of their responsiveness to the Terms of Reference and the RFP, applying the evaluation criteria, sub-criteria, and point system specified in the Data Sheet. Each responsive Proposal will be given a technical score. A Proposal shall be rejected at this stage if it does not respond to important aspects of the RFP or if it fails to achieve the minimum technical score indicated in the Data Sheet.</p>
22. Financial Proposals for QBS	<p>22.1. Following the ranking of the Technical Proposals, when the selection is based on quality only (QBS), the top-ranked Consultant is invited to negotiate the Contract.</p> <p>22.2. If Financial Proposals were invited together with the Technical Proposals, only the Financial Proposal of the technically top-ranked Consultant is opened by the Client’s evaluation committee. All other Financial Proposals are returned unopened after the Contract negotiations are successfully concluded and the Contract is signed.</p>
23. Public Opening of Financial Proposals (for QCBS, FBS, and	<p>23.1. If Financial Proposals are submitted in separate, sealed envelopes, in accordance with Clause 18.8 of the ITC, the opening process of Financial Proposals submitted by mail or by</p>

<p>LCS methods)</p>	<p>hand shall be conducted in accordance with this Section, and will depend on the applicable selection method.</p> <p>23.2. After the technical evaluation is completed and the Bank has issued its no objection (if applicable), the Client shall notify those Consultants whose Technical Proposals were considered non-responsive to the RFP (including the TOR) or did not meet the minimum qualifying technical score (and shall provide information relating to the Consultant’s overall technical score, as well as the scores obtained for the sub-criteria) that their Financial Proposals will be returned unopened after completing the selection process and Contract signing. The Client shall simultaneously notify in writing those Consultants that have achieved the minimum overall technical score and inform them of the date, time and location for the opening of the Financial Proposals. The opening date should allow the Consultants sufficient time to make arrangements for attending the opening. The Consultant’s attendance at the opening of the Financial Proposals (in person, or online if such option is indicated in the Data Sheet) is optional and is at the Consultant’s choice. Consultants who have been notified that their proposals are considered non-responsive may request in writing to the Client for a debriefing seeking further explanations on the grounds on which their proposals were considered non-responsive. Upon receiving such a request, the Client shall promptly, and in any case within two weeks, arrange a debriefing.</p> <p>23.3. The Financial Proposals shall be opened by the Client in the presence of the representatives of those Consultants whose proposals have passed the minimum technical score. At the opening, the names of the Consultants, and the overall technical scores, including the break-down by criterion, shall be read aloud or otherwise communicated. The Financial Proposals will then be inspected to confirm that they have remained sealed and unopened. These Financial Proposals shall be then opened, and the total prices read aloud and recorded. Copies of the record shall be sent to all Consultants who submitted Proposals and to the Bank.</p>
<p>24. Correction of Errors</p>	<p>24.1. Activities and items described in the Technical Proposal but not priced in the Financial Proposal, shall be assumed to be included in the prices of other activities or items, and no corrections are made to the Financial Proposal.</p>
<p>a. Time-Based Contracts</p>	<p>24.1.1. If the Financial Proposal is time-based, in whole or in part, the Client’s evaluation committee will (a) correct any computational or arithmetical errors, and (b) adjust the prices if they fail to reflect all inputs included for the respective activities or items in the Technical Proposal. In case of discrepancy between (i) a partial amount (sub-total)</p>

	<p>and the total amount, or (ii) between the amount derived by multiplication of unit price with quantity and the total price, or (iii) between words and figures, the former will prevail. In case of discrepancy between the Technical and Financial Proposals in indicating quantities of input, the Technical Proposal prevails and the Client’s evaluation committee shall correct the quantification indicated in the Financial Proposal so as to make it consistent with that indicated in the Technical Proposal, apply the relevant unit price included in the Financial Proposal to the corrected quantity, and correct the total Proposal cost.</p>
b. Lump-Sum Contracts	<p>24.1.2. If the Financial Proposal is lump-sum based, in whole or in part, the Consultant is deemed to have included all prices in the Financial Proposal, or in the part that is lump-sum based, so neither arithmetical corrections nor price adjustments shall be made. The total price, net of taxes understood as per Clause 25 of the ITC below, specified in the Financial Proposal (Form FIN-1) shall be considered as the offered price.</p>
25. Taxes	<p>25.1. Except as set out in Sub-clause 25.2, all taxes are deemed included in the Consultant’s Financial Proposal, and, therefore, included in the evaluation.</p> <p>25.2. Any local identifiable indirect taxes levied on the contract invoices (such as sales tax, VAT, excise tax, or any similar taxes or levies) and income tax payable to the Client’s country on the remuneration of non-resident Experts for the services rendered in the Client’s country are dealt with in accordance with the instructions in the Data Sheet.</p>
26. Conversion to Single Currency	<p>26.1. For evaluation purposes, prices shall be converted to a single currency using the selling rates of exchange, source and date indicated in the Data Sheet.</p>
27. Combined Quality and Cost Evaluation	
a. Quality- and Cost-Based Selection (QCBS)	<p>27.1. In the case of QCBS, the total score is calculated by weighting the technical and financial scores and adding them as per the formula and instructions in the Data Sheet. The Consultant achieving the highest combined technical and financial score will be invited for negotiations.</p>
b. Fixed-Budget Selection (FBS)	<p>27.2. In the case of FBS, those Proposals that exceed the budget indicated in Clause 15.1.3 of the Data Sheet shall be rejected.</p> <p>27.3. The Client will select the Consultant that submitted the highest-ranked Technical Proposal that does not exceed the budget indicated in the RFP, and invite such Consultant to</p>

	negotiate the Contract.
c. Least-Cost Selection	27.4. In the case of Least-Cost Selection (LCS), the Client will select the Consultant with the lowest evaluated total price among those consultants that achieved the minimum technical score, and invite such Consultant to negotiate the Contract.
28. Negotiations	28.1. Prior to contract negotiations, the Client shall notify all unsuccessful consultants of the results of the consultant selection process, identifying the name of the assignment and the following information: (i) name of each consultant whose financial proposals were opened; (ii) combined technical and financial scores of all consultants whose financial proposals were opened (iii) prices of financial proposals as read out at financial proposal opening; (iv) if applicable, an explanation why the evaluated price differs from the price of the evaluated proposal; and (v) name of the winning consultant, and the evaluated contract price, as well as the duration and summary scope of the contract signed. After receiving such notification, unsuccessful consultants may request in writing to the Client for a debriefing seeking further explanations on the grounds on which their proposals were not selected. Upon receiving such a request, the Client shall promptly, and in any case within two weeks, arrange a debriefing. At the same time, the Client shall also arrange for the publication of the above information on the Bank's website.
	28.2. The negotiations will be held at the date and address indicated in the Data Sheet with the Consultant's representative(s) who must have written power of attorney to negotiate and sign a Contract on behalf of the Consultant. 28.3. The Client shall prepare minutes of negotiations that are signed by the Client and the Consultant's authorized representative.
	28.4. The negotiations will be held at the date and address indicated in the Data Sheet with the Consultant's representative(s) who must have written power of attorney to negotiate and sign a Contract on behalf of the Consultant. 28.5. The Client shall prepare minutes of negotiations that are signed by the Client and the Consultant's authorized representative.
a. Availability of Key Experts	28. 6. The invited Consultant shall confirm the availability of all Key Experts included in the Proposal as a pre-requisite to the negotiations, or, if applicable, a replacement in accordance with Clause 14 of the ITC. Failure to confirm the Key Experts' availability may result in the rejection of the Consultant's Proposal and the Client proceeding to negotiate the Contract with the next-ranked Consultant.

	<p>28.7. Notwithstanding the above, the substitution of Key Experts at the negotiations may be considered if due solely to circumstances outside the reasonable control of and not foreseeable by the Consultant, including but not limited to death or medical incapacity. In such case, the Consultant shall offer a substitute Key Expert within the period of time specified in the letter of invitation to negotiate the Contract, who shall have equivalent or better qualifications and experience than the original candidate.</p>
b. Technical negotiations	<p>28.8. The negotiations include discussions of the Terms of Reference (TORs), the proposed methodology, the Client’s inputs, the special conditions of the Contract, and finalizing the “Description of Services” part of the Contract. These discussions shall not substantially alter the original scope of services under the TOR or the terms of the contract, lest the quality of the final product, its price, or the relevance of the initial evaluation be affected.</p>
c. Financial negotiations	<p>28.9. The negotiations include the clarification of the Consultant’s tax liability in the Client’s country and how it should be reflected in the Contract.</p> <p>28.10. If the selection method included cost as a factor in the evaluation, the total price stated in the Financial Proposal for a Lump-Sum contract shall not be negotiated.</p> <p>In the case of a Time-Based (in whole or in part) contract, unit rates negotiations shall not take place, except when the offered Key Experts and Non-Key Experts’ remuneration rates are much higher than the typically charged rates by consultants in similar contracts. In such case, the Client may ask for clarifications and, if the fees are very high, ask to change the rates after consultation with the Bank.</p> <p>28.11. The Consultant shall furnish the Client with details of the bank account(s) that the Consultant proposes to use for the purpose of receiving payments due under the Contract.</p>
29. Conclusion of Negotiations	<p>29.1. The negotiations are concluded with a review of the finalized draft Contract, which then shall be initialed by the Client and the Consultant’s authorized representative.</p> <p>29.2. If the negotiations fail, the Client shall inform the Consultant in writing of all pending issues and disagreements and provide a final opportunity to the Consultant to respond. If disagreement persists, the Client shall terminate the negotiations informing the Consultant of the reasons for doing so. After having obtained the Bank’s no objection, the Client will invite the next-ranked Consultant to negotiate the Contract. Once the Client commences negotiations with the next-ranked Consultant, the</p>

	Client shall not reopen the earlier negotiations.
30. Award of Contract	<p>30.1. After completing the negotiations the Client shall obtain the Bank's no-objection to the negotiated draft Contract, if applicable and sign the Contract.</p> <p>30.2. The Consultant is expected to commence the assignment on the date and at the location specified in the Data Sheet.</p>

Instructions to Consultants

DATA SHEET

ITC Clause Reference	
2.1.	<p>Name of the Client: Zvolenská teplárenská, a.s.</p> <p>Method of evaluation: Quality- and Cost-Based Selection</p>
2.2	<p>Procurement method: Single Stage Open Competitive Selection – Request for Proposal</p> <p>Financial Proposal to be submitted together with Technical Proposal: Yes</p> <p>The name of the assignment is: Zvolen District Heating Project – Construction supervision, role of FIDIC engineer</p>
2.3	<p>A pre-response conference will be held: No</p>
4.1	<p>No Unfair Competitive Advantage applies to the selection.</p>
6.1. and 6.2.	<p>None</p>
6.3.2	<p>In reference to ITC6.3.2, for the information of Consultants, at the present time firms, goods and services from the following countries are excluded from this selection:</p> <p>Under the ITC 6.3.2 (a): none</p> <p>Under the ITC 6.3.2 (b): none</p>
9.1	<p>This RFP has been issued in the English language. This shall be the governing language of the RFP.</p> <p>Proposals must be submitted and all correspondence exchange shall be in the language of the RFP and Slovak language.</p>
10.1	<p>Participation of Sub-consultants, Key Experts and Non-Key Experts in more than one Proposal is permissible: Yes</p>
11.1	<p>Clarifications may be requested no later than 15 days prior to the submission deadline.</p>

	<p>The contact information for requesting clarifications is:</p> <p>RNDr. Miroslav Duplinský Member of the Board of Directors and Director of Production and Maintenance Zvolenská teplárenská, a.s. Lučenecká cesta 25 961 50 Zvolen Slovakia</p> <p>E-mail: duplinsky@zvtp.sk</p> <p>The following electronic means shall be used for requesting clarifications: E-mail: Yes</p>
13.1	Proposals must remain valid for 120 calendar days after the proposal submission deadline.
15.1.2	Not Applicable.
15.1.3	Estimated total cost of the assignment: EUR 1,400,000 exclusive of VAT
15.1.4	Not applicable
15.1.5	Not applicable
16.2	<p>The format of the Technical Proposal to be submitted is: FTP (Full Technical Proposal)</p> <p>Submission of the Technical Proposal in a wrong format may lead to the Proposal being deemed non-responsive to the RFP requirements.</p>
17.1	No Sample list.
17.2	A price adjustment provision applies to remuneration rates: No
17.3	The Consultant and its Sub-consultants and Experts are responsible to determine their tax obligations in the Client's country.
17.4	<p>The Financial Proposal shall be stated in the following currencies or currencies: Euro</p> <p>The Financial Proposal should state local costs in the Client's country currency (local currency): No</p>
18.2	The Consultants shall not have the option of submitting their Proposals

	electronically.
18.3	<p>The Technical Proposal shall comprise the following documents:</p> <p style="text-align: center;"><u>For FULL TECHNICAL PROPOSAL (FTP):</u></p> <p style="text-align: center;">1st Inner Envelope with the Technical Proposal:</p> <ol style="list-style-type: none"> (1) Power of Attorney to sign the Proposal (2) TECH-1 (3) TECH-2 (4) TECH-3 (5) TECH-4 (6) TECH-5 (7) TECH-6 <p>The Financial Proposal shall comprise the following documents:</p> <p style="text-align: center;">2nd Inner Envelope with the Financial Proposal:</p> <ol style="list-style-type: none"> (1) FIN-1 (2) FIN-2 (3) FIN-3
18.6	<p>Where submission is by mail or by hand, the Consultant must submit:</p> <p><u>To the Client</u></p> <p>(a) Technical Proposal provided in a sealed and clearly labelled envelope: - one (1) original in English and three (3) hard copies translated into Slovak - an electronic copy of the Technical Proposal (on a CD or other electronic media) in English and in Slovak language</p> <p>(b) Financial Proposal: provided in a sealed and clearly labelled envelope (separate from Technical Proposal): - one (1) original in English and one (1) hard copy translated into Slovak language. - an electronic copy of the Financial Proposal (on a CD or other electronic media) in English and in Slovak language (to be included into the sealed Financial Proposal envelope).</p> <p>Consultants are reminded of the requirements to ensure the confidentiality of the Financial Proposals. <u>A Technical Proposal containing material financial information shall be declared non-responsive.</u></p>
18.10	<p>The Proposals must be submitted no later than: Date: 03.10.2019— deadline extended until 17.10.2019 Time: 13:00 local time</p> <p>The Proposal submission address is:</p> <p>RNDr. Miroslav Duplinský Member of the Board of Directors and</p>

	<p>Director of Production and Maintenance Zvolenská teplárenská, a.s. Lučenecká cesta 25 961 50 Zvolen Slovakia</p> <p><u>Timeliness of the Proposals shall be determined exclusively on the basis of the time and date of the submission of the original Proposal to the Client at the time, date, and Proposal submission address above.</u></p>
19.1	<p>The opening shall take place at: same as the Proposal submission address. Date: same as the submission deadline indicated in 18.10. Time: 13:00 local time</p>
19.3	<p>In addition, where submission is by mail or by hand the following information will be read aloud or otherwise communicated, at the opening of the Proposals: Not applicable</p>
23.1	<p>An online option of the opening of the Financial Proposals is offered: No.</p>
25.2	<p>For the purpose of the evaluation, the Client will exclude: (a) all local identifiable indirect taxes, including VAT, on the contract invoices; and (b) all additional local indirect tax on the remuneration of services rendered by non-resident experts of the Consultant in the Client's country. At contract negotiations, all applicable indirect local taxes will be discussed and agreed (using the itemized list as guidance but not limiting to it) and added to the contract amount in a separate line, also indicating which taxes shall be paid by the Consultant and which are to be withheld and paid by the Client on behalf of the Consultant.</p>
26.1	<p>The single currency for the conversion of all prices expressed in various currencies into a single one is: Not applicable</p>
27.1	<p>The lowest evaluated Financial Proposal (Fm) is given the maximum financial score (Sf) of 100.</p> <p>The formula for determining the financial scores (Sf) of all other Proposals is calculated as following:</p> <p>$Sf = 100 \times Fm / F$, in which "Sf" is the financial score, "Fm" is the lowest price, and "F" the price of the Proposal under consideration.</p> <p>The weights given to the Technical (T) and Financial (P) Proposals are: T = 90, and P = 10.</p> <p>Proposals are ranked according to their combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical</p>

	Proposal; P = the weight given to the Financial Proposal; T + P = 1) as following: $S = S_t \times T\% + S_f \times P\%$.
28.1	Expected date and address for contract negotiations: To Be Determined after the completion of the evaluation of proposals
30.2	Expected date for the commencement of the Services: Date: Q4 2019 at: Zvolen, Slovak Republic

Section 1.3 – Evaluation Criteria

Criteria	Weight	Min. Tec. Score (% of max.)
<p>(a) Consultant’s relevant professional experience:</p> <ul style="list-style-type: none"> <input type="checkbox"/> experience in similar assignments [60%] <input type="checkbox"/> experience in similar locations [30%] <input type="checkbox"/> structure, organization, capacity of Consultant [10%] 	10	-
<p>(b) Quality of the methodology proposed for the Assignment:</p> <ul style="list-style-type: none"> <input type="checkbox"/> understanding of assignment [10%] <input type="checkbox"/> approach and methodology [20%] <input type="checkbox"/> work plan and team assignments [70%] 	25	70
<p>(c) Qualifications of Key Experts:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Key Expert 1 - Project Manager / FIDIC contracts management expert [30%] <input type="checkbox"/> Key Expert 2 - Civil Engineer [15%] <input type="checkbox"/> Key Expert 3 - Mechanical Engineer [10%] <input type="checkbox"/> Key Expert 4 - Electrical Engineer [10%] <input type="checkbox"/> Key Expert 5 - International District Heating Engineer [20%] <input type="checkbox"/> Key Expert 6 - Local District Heating Engineer [15%] <p>Each of the Key Experts listed above will be evaluated as follows:</p> <ul style="list-style-type: none"> <input type="checkbox"/> general qualifications [15%] <input type="checkbox"/> specific experience and expertise related to their task [85%] 	55	70
<p>(d). Other factors</p> <ul style="list-style-type: none"> <input type="checkbox"/> local participation [33%] <input type="checkbox"/> local presence [34%] <input type="checkbox"/> back-up capacity [33%] 	10	
TOTAL	100	75

The minimum total technical score (St) required to pass is: **75**

The minimum technical score for criterion **(b) Quality of the methodology proposed for the Assignment** required to pass is: **70**

The minimum technical score for criterion **(c) Qualifications of Key Experts** required to pass is: **70**

Section 1.4. Technical Proposal– Standard Forms

FORM TECH-1A

TECHNICAL PROPOSAL SUBMISSION FORM

{Location, Date}

To: Zvolenská teplárenská, a.s
Lučenecká cesta 25
961 50 Zvolen
Slovak Republic

Date:
RFP No.:
RFP Name:

Dear Sirs:

We, the undersigned, offer to provide the consulting services for **the above assignment** in accordance with the Request for Proposal documents, and our Proposal.

{If the Consultant is a joint venture, insert the following: We are submitting our Proposal in association/as a consortium/as a joint venture with:

Lead Member: *[Full name, legal address, authorized representative]*

Members: *[Full name, legal address, authorized representative]*

We have attached a copy *[insert: “of our letter of intent to form a joint venture” or, if a JVCA is already formed, “of the JVCA agreement”]* signed by every participating member, which details the likely legal structure of and the confirmation of joint and several liability of the members of the said joint venture.

AND/OR

[If your Proposal includes Sub-consultants, insert the following: We are submitting our Proposal with the following firms as Sub-consultants: {Insert a list with full name and address of each Sub-consultant.}]

We hereby declare that:

- (a) All the information and statements made in this Proposal are true and we accept that any misinterpretation or misrepresentation contained in this Proposal may lead to our disqualification by the Client and/or may be sanctioned by the Bank.
- (b) Our Proposal shall be valid and remain binding upon us for the period of time specified in Clause 14.1 of the ITC.
- (c) We have no conflict of interest in accordance with Clause 3 of the ITC.
- (d) We meet the eligibility requirements as stated in Clause 6 of the ITC, and we confirm our understanding of our obligation to abide by the Bank's policy in regard to prohibited practices as per Clause 5 of the ITC.
- (e) Except as stated in the Clause 14.7 of the ITC, we undertake to negotiate a Contract on the basis of the proposed Key Experts. We accept that the substitution of Key Experts for reasons other than those stated in Clause 14 of the ITC and Clause 28.4 of the ITC may lead to the termination of Contract negotiations.
- (f) Our Proposal is binding upon us and subject to any modifications resulting from the Contract negotiations.

We undertake, if our Proposal is accepted and the Contract is signed, to initiate the Services related to the assignment no later than the date indicated in Clause 30.2 of the ITC.

We understand that the Client is not bound to accept any Proposal that the Client receives.

We remain,

Yours sincerely,

Authorized Signature *{In full and initials}*: _____

Name and Title of Signatory: _____

Name of Consultant (company's name or JVCA's name):

In the capacity of: _____

Address: _____

Contact information (phone and e-mail): _____

{For a joint venture, either all members shall sign or only the lead member, in which case the power of attorney to sign on behalf of all members shall be attached.}

Contact Sheet

Full legal name of Lead Organisation/ Individual:	
Trading Name (if different from above):	
Country of Registration:	
Address of registered office:	
Postal address (if different from above):	
Telephone number (including country code):	
Fax number (including country code):	
Main contact person for this Expression of Interest:	
Main contact person's position in the Organisation:	
Contact person's email address:	
Alternate contact person:	
Alternative E-mail:	
Website of the Organisation:	

Important Notes:

Any change in the addresses, phone numbers, fax numbers and in particular e-mail addresses, must be notified in writing to the Recipient/Client. The Recipient/Client will not be held responsible in the event that they ca not contact the Consultant using any of the above details. It is the sole responsibility of the Consultant to ensure that it monitors its telephone and fax numbers and its postal and e-mail addresses. In particular, the Recipient/Client shall proceed on the assumption that the e-mail address(es) is constantly monitored, that your security settings permit the Recipient/Client's e-mails to be received and that the e-mail address is capable of receiving attachments (particularly PDF and Microsoft Word).

FORM TECH-2 (FOR FULL TECHNICAL PROPOSAL ONLY)

CONSULTANT'S ORGANIZATION AND EXPERIENCE

Form TECH-2: a brief description of the Consultant's organization and an outline of the recent experience of the Consultant that is most relevant to the assignment. In the case of a joint venture, information on similar assignments shall be provided for each partner. For each assignment, the outline should indicate the names of the Consultant's Key Experts and Sub-consultants who participated, the duration of the assignment, the contract amount (total and, if it was done in a form of a joint venture or a sub-consultancy, the amount paid to the Consultant), and the Consultant's role/involvement.

A - Consultant's Organization

{1. Provide here a brief description of the background and organization of your company, and – in case of a joint venture – of each member for this assignment. }

B - Consultant's Experience

1. List only previous similar assignments successfully completed for the last 10 years.
2. List only those assignments for which the Consultant was legally contracted by the Client as a company or was one of the joint venture partners. Assignments completed by the Consultant's individual experts working privately or through other consulting firms cannot be claimed as the relevant experience of the Consultant, or that of the Consultant's partners or sub-consultants, but can be claimed by the Experts themselves in their CVs. Briefly outline if the project results were achieved (e.g. if performance requirements were achieved, deadlines were met). The Consultant should be prepared to substantiate the claimed experience by presenting copies of relevant documents and references if so requested by the Client.

Duration	Assignment name/& brief description of main deliverables/outputs/results achieved	Name of Client & Country of Assignment	Approx. Contract value (in US\$ or EURO)/ Amount paid to your firm	Role on the Assignment
{e.g., Jan.2009–Apr.2010}	{e.g., “Improvement quality of.....”: designed master plan for rationalization of; }	{e.g., Ministry of, country}	{e.g., US\$1 mill/US\$0.5 mill}	{e.g., Lead partner in a JVCA A&B&C}
{e.g., Jan-May 2008}	{e.g., “Support to sub-national government.....” : drafted secondary level regulations on.....}	{e.g., municipality of....., country}	{e.g., US\$0.2 mil/US\$0.2 mil}	{e.g., sole Consultant}

FORM TECH-3 (FOR FULL TECHNICAL PROPOSAL)

COMMENTS AND SUGGESTIONS ON THE TERMS OF REFERENCE, COUNTERPART STAFF AND FACILITIES TO BE PROVIDED BY THE CLIENT

Form TECH-3: comments and suggestions on the Terms of Reference that could improve the quality/effectiveness of the assignment; and on requirements for counterpart staff and facilities, which are provided by the Client, including: administrative support, office space, local transportation, equipment, data, etc.

A - On the Terms of Reference

{Describe proposed modifications or improvement to the Terms of Reference (such as deleting some activity you consider unnecessary, or adding another, or proposing a different phasing of the activities). Such suggestions should be concise and to the point, and incorporated in your Proposal.}

B - On Counterpart Staff and Facilities

{Include comments on counterpart staff and facilities to be provided by the Client. For example, administrative support, office space, local transportation, equipment, data, background reports, etc.}

FORM TECH-4 (FOR FULL TECHNICAL PROPOSAL ONLY)

DESCRIPTION OF APPROACH, METHODOLOGY AND WORK PLAN IN RESPONDING TO THE TERMS OF REFERENCE

Form TECH-4: a description of the approach, methodology and work plan for performing the assignment, including a detailed description of the proposed methodology and staffing for training, if the Terms of Reference specify training as a specific component of the assignment.

{Suggested structure of your Technical Proposal (in FTP format):

- a) Technical Approach and Methodology*
- b) Work Plan*
- c) Organization and Staffing }*

- a) **Technical Approach and Methodology.** *{Please explain your understanding of the objectives of the assignment as outlined in the Terms of Reference (TORs), the technical approach, and the methodology you would adopt for implementing the tasks to deliver the expected output(s), and the degree of detail of such output. Please, explain how the suggested approach will address Client's and Project's specific needs. Please do not repeat/copy the TORs in here and be clear and concise.}*
- b) **Work Plan.** *{Please outline the plan for the implementation of the main activities/tasks of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by the Client), and tentative delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing your understanding of the TOR and ability to translate them into a feasible working plan. A list of the final documents (including reports) to be delivered as final output(s) should be included here. The work plan should be consistent with the Work Schedule Form. }*
- c) **Organization and Staffing.** *{Please describe the structure and composition of your team, including the list of the Key Experts, Non-Key Experts and relevant technical and administrative support staff. }*

FORM TECH-5

WORK SCHEDULE AND PLANNING FOR DELIVERABLES

N°	Deliverables ¹ (D-..)	Months											
		1	2	3	4	5	6	7	8	9	n	TOTAL
D-1	{e.g., Deliverable #1: Report A												
	1) data collection												
	2) drafting												
	3) inception report												
	4) incorporating comments												
	5)												
	6) delivery of final report to Client}												
D-2	{e.g., Deliverable #2:.....}												
n													

- 1 List the deliverables with the breakdown for activities required to produce them and other benchmarks such as the Client’s approvals. For phased assignments, indicate the activities, delivery of reports, and benchmarks separately for each phase.
- 2 Duration of activities shall be indicated in a form of a bar chart.
3. Include a legend, if necessary, to help read the chart.



FORM TECH-6

Team Composition, Assignment and Key Experts' inputs

N°	Name	Expert's input (in person/month) per each Deliverable (listed in TECH-5)										Total time-input (in Months)			
		Position		D-1		D-2		D-3	D-...			Home	Field	Total
KEY EXPERTS															
K-1	{e.g., Mr. Abbbb}	[Team Leader]	[Home]	[2 month]	[1.0]	[1.0]									
			[Field]	[0.5 m]	[2.5]	[0]									
K-2															
K-3															
n															
											Subtotal				
NON-KEY EXPERTS															
N-1			[Home]												
			[Field]												
N-2															
n															
											Subtotal				
											Total				

1 For Key Experts, the input should be indicated individually for the same positions as required under the Data Sheet ITC21.1.

- 2 Months are counted from the start of the assignment/mobilization. One (1) month equals twenty two (22) working (billable) days. One working (billable) day shall be not less than eight (8) working (billable) hours.
- 3 “Home” means work in the office in the expert’s country of residence. “Field” work means work carried out in the Client’s country or any other country outside the expert’s country of residence.

 Full time input
 Part time input

FORM TECH-6

CURRICULUM VITAE (CV)

Position Title and No.	{e.g., K-1, TEAM LEADER}
Name of Expert:	{Insert full name}
Date of Birth:	{day/month/year}
Country of Citizenship/Residence	

Education: {List college/university or other specialized education, giving names of educational institutions, dates attended, degree(s)/diploma(s) obtained}

Employment record relevant to the assignment: {Starting with present position, list in reverse order. Please provide dates, name of employing organization, titles of positions held, types of activities performed and location of the assignment, and contact information of previous clients and employing organization(s) who can be contacted for references. Past employment that is not relevant to the assignment does not need to be included.}

Period	Employing organization and your title/position. Contact information for references	Country	Summary of activities performed relevant to the Assignment
[e.g., May 2005-present]	[e.g., Ministry of, advisor/consultant to... For references: Tel...../e-mail.....; Contact Name, Title/Position]		

Membership in Professional Associations and Publications:

Language Skills (indicate only languages in which you can work): _____

Adequacy for the Assignment:

Detailed Tasks Assigned on Consultant’s Team of Experts:	Reference to Prior Work/Assignments that Best Illustrates Capability to Handle the Assigned Tasks/ Main achievements and project results facilitated by the expert
<i>{List all deliverables/tasks as in TECH- 5 in which the Expert will be involved}</i>	

Expert’s contact information: (e-mail....., phone.....)

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience, and I am available to undertake the assignment in case of an award. I understand that any misstatement or misrepresentation described herein may lead to my disqualification or dismissal by the Client, and/or sanctions by the Bank.

{day/month/year}

 Name of Expert
 Date

 Signature

{day/month/year}

 Name of authorized
 Date
 Representative of the Consultant
 (the same who signs the Proposal)

 Signature

Section 1.5. Financial Proposal - Standard Forms

{*Notes to Consultant* shown in brackets { } provide guidance to the Consultant to prepare the Financial Proposals; they should not appear on the Financial Proposals to be submitted.}

Financial Proposal Standard Forms shall be used for the preparation of the Financial Proposal according to the instructions provided in Section 2.

FIN-1 Financial Proposal Submission Form

FIN-2 Summary of Costs

FIN-3 Breakdown of Costs

DRAFT

FORM FIN-1
FINANCIAL PROPOSAL SUBMISSION FORM

[Location, Date]

To: [Name and address of Client]

Dear Sirs:

We, the undersigned, offer to provide the consulting services for [Insert title of assignment] in accordance with your Request for Proposal dated [Insert Date] and our Technical Proposal.

Our attached Financial Proposal is for the amount of [Indicate the corresponding to the amount(s) currency(ies)] [Insert amount(s) in words and figures], [Insert "including" or "excluding"] of all indirect local taxes in accordance with the requirements of the RFP. The estimated amount of local indirect taxes is [Insert currency] [Insert amount in words and figures] which shall be confirmed or adjusted, if needed, during negotiations. {Please note that all amounts shall be the same as in Form FIN-2}.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal.

Commissions, gratuities, or fees paid or to be paid by us to an agent or any other party relating to preparation or submission of this Proposal and Contract execution, paid if we are awarded the Contract, are listed below:

Name and Address of Agent(s) / Other Party	Amount and Currency	Purpose

{If no payments are made or promised, add the following statement: "No commissions, gratuities or fees have been or are to be paid by us to agents or any other party relating to this Proposal and, in the case of award, Contract execution."}

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature {In full and initials}: _____

Name and Title of Signatory: _____

In the capacity of: _____

Address: _____

E-mail: _____

{For a joint venture, either all members shall sign or only the lead member/consultant, in which case the power of attorney to sign on behalf of all members shall be attached}

FORM FIN-2 SUMMARY OF COSTS

Item	Cost			
	{Consultant must state the proposed Costs in accordance with Clause 16.4 of the Data Sheet; delete columns which are not used}			
	{Insert Foreign Currency # 1}	{Insert Foreign Currency # 2, if used}	{Insert Foreign Currency # 3, if used}	{Insert Local Currency, if used and/or required (16.4 Data Sheet)}
Cost of the Financial Proposal				
Including:				
(1) Remuneration				
(2) <i>[Reimbursables]</i>				
Total Cost of the Financial Proposal: {Should match the amount in Form FIN-1}				
Indirect Local Tax Estimates – to be discussed and finalized at the negotiations if the Contract is awarded				
(i) {insert type of tax: e.g., VAT or sales tax}				
(ii) {e.g., income tax on non-resident experts}				
(iii) {insert type of tax}				
Total Estimate for Indirect Local Tax:				

Footnote: Payments will be made in the currency(ies) expressed above (Reference to ITC 17.5). In the case of Lump-Sum contracts, a breakdown of the Remuneration and Reimbursables is not required.

FIN-3: Staffing Schedule and Breakdown of Costs
 (All amounts to be exclusive of indirect taxes, including VAT, which may be chargeable by the Consultant)

[Assignment Title]

[contract currency]

1. Fees :

Name of Expert	Job Title	Working Period	In the Field	In Home Office	Total Period	Expert Rate	Total
[Expert name]	[Expert function]	[hours / days / months]				[expert's fee rate per unit]	[total fees of Expert]
Total Fees							[sum of all fees]

2. Per Diem Allowance:

Place	Number	Rate Period	Per Diem	Total
[indicate location]	[indicate number of nights spent at location]	Days	[Insert applicable Per diem rate]	[Insert total amount for location]
Total Per Diem				Per diem_total

[A per diem is allowed for each night away from the Home Office. Per diem rates are capped at the per diem rate established by the EU (if the assignment is EU-funded), and are otherwise normally capped at the per diem rate adopted by the UN¹]

3. Reimbursable Expenses*

Air Travel: (Full Economy Class or Equivalent)

Routing	Air Fare	No. of Flights	Total
[List flight route, including changeover stops]	[Insert unit cost per flight route]	[Insert number of flights per route]	[Insert total cost per route]
Total Air Travel			air travel_total

Local Travel

[Travel from home to departure airport and return, and reasonable local travel when abroad.]

Journey	Cost	No. of Journeys	Total
[List of journeys]	[cost per journey]		[total per journey]
Total Local Travel			local trav_total

Miscellaneous:

[The list of miscellaneous expenses is for illustration purposes only; not all of the expenses listed below need apply to a given assignment]

Visas	[List details – number, if applicable, unit cost, if applicable]	[List total costs per item]
Interpretation		
Reports		

¹ EU Per Diem Rates are listed on the EU's website (http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm); UN Per Diem Rates are available (subscribers only) from the website of the UN's International Civil Service Commission: http://icsc.un.org/sal_dsa.asp.

Communications		
Equipment Purchase		
Accommodation (not listed in Per Diem)		
<i>[List other Miscellaneous Expenses]</i>		
Miscellaneous Total		

*May include indirect taxes, such as VAT which are not otherwise recoverable by the Consultant.

4. Contingencies: (utilisation only after prior approval in writing by the Client)	
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TOTAL MAXIMUM CONTRACT AMOUNT (Contract Ceiling Amount)	<i>[List total cost of the assignment, exclusive of VAT; this amount should correspond to the financial proposal amount in FIN-1]</i>
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PART II - REQUIREMENTS

SECTION 2.1. TERMS OF REFERENCE

SLOVAKIA: ZVOLEN DISTRICT HEATING PROJECT - CONSTRUCTION SUPERVISION, ROLE OF FIDIC ENGINEER

1. BACKGROUND

The International Investment Bank (the “IIB” or the “Bank”) is providing a loan of up to EUR 31 million to the Zvolenska teplarenska, a.s. (the “ZVTP” or “Company”) in the City of Zvolen (“Zvolen” or the “City”) in Slovakia.

The Bank’s financing will be focused on construction of a new biomass fired district heating plant with total installed capacity of about 77.5 MW. The investment is aimed to replace existing coal-powered DH plant ceased to meet emission limits with wood biomass and will contain a new complete plant including DH plant rehabilitation works, supply and installation of biomass and gas boilers.

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, since the ZVTP will no longer be able to use coal in the heating plants because of regulatory constraints.

The investments will be procured in accordance with the IIB’s Procurement Rules for projects financed by International Investment Bank.

The ZVTP and the Bank have now agreed that the assistance of an experienced and reputable consultancy firm or consortium of consultancy firms (the “Consultant”) is required in order to provide construction supervision services as FIDIC Engineer.

The subject of this Terms of Reference is the supervision of the following contract:

- District Heating plant rehabilitation works, supply and installation of biomass and gas boilers

The contract is to be implemented using FIDIC Conditions of Contract for Plant & Design-Build (First Ed., 1999) – Yellow Book as General Contract Conditions which are amended through the respective Particular Conditions.

The Consultancy services under this Terms of Reference are sought to facilitate successful and timely implementation of the Project and appropriately support the ZVTP.

2. OBJECTIVES

The main objective of the assignment is for the Consultant to assist the Employer in the administration of the above Bank-financed contract (hereinafter referred to as “the Contract”) with due diligence, to carry out the duties of the Engineer assigned to him in the Contract and provide other services as described in this ToR. The Consultant (hereinafter also referred to

as “the Engineer”) shall act as the Engineer exercising the authority and duties attributable to the Engineer, as specified in or necessarily implied from the Contract, to ensure timely, satisfactory completion of these project components in accordance with the Contract and other applicable requirements, including the Facility Agreement between the ZVTP and the Bank.

3. SCOPE OF WORK

The Consultant shall, in addition to the tasks specified in the Contract for the Engineer, perform the following:

1. Undertake an official review (Technical Control) of the designs developed by the Contractor in accordance with the relevant Slovak legislation.
2. Undertake the additional construction supervision activities to that of required in the Contract or this ToR as required by the respective Slovak Law;
3. Assist the Client with the reporting in accordance with Bank’s loan requirements through preparation of progress reports, occasional incident reports, if any, and annual environmental, health and safety reports and final report.

3.1. Pre-construction stage support

During the pre-construction stage the Consultant will, in parallel with the recruitment of staff and logistics arrangements, undertake the following tasks:

- Establish procedures for proper works supervision. This shall include the preparation of a Supervision Manual to clearly include: (i) Outline procedures and forms for inspection, verification, reporting and approval of works related activities, site communication, variation orders and others; (ii) Procedures and forms for quality assurance and quality control; (iii) Transparent and reliable filing system in electronic and printed documentation, and document distribution.
- Establish the delegation of authorities for the Engineer and sub-delegation of authorities for the Consultant’s supervision staff as per provisions of relevant contracts;
- Check the validity and duration period and approvals of insurance policies, guarantees, certificates, and other relevant documents provided by contractors and ensure the timely renewal of the mentioned documents by contractors;
- Formally establish the commencement dates subject to compliance of the pertinent conditions of contract;
- Verify staff qualifications and the mobilisation of contractors’ staff, in accordance with contractual requirements;
- Verify detailed time and activity schedules including reporting and documents preparation;
- Review and approve contractors’ Health and Safety Plan prior to the commencement of field activities;
- Check the sufficiency and suitability of available technical documentation available by the Contractor.

3.2. Supervision of the Contract

The Consultant shall perform the duties and authority of the Engineer as specified in or necessarily implied from the Contract as well as administer the Contract, dealing with

situations in accordance with the contract, taking due regard of all relevant circumstances; the Consultant shall perform his duties and /or act:

- proactively, where the initiative lies with the Engineer in administering the Contracts and in addition providing all necessary warning and reminders to the Contractors and the Employer to ensure timely and smooth implementation of the project;
- reactively, in response to the Contractors' or the Employer's requests as well as the third parties requests related to the Contracts; and
- passively, in observing the requirements of the Contracts.

Wherever appropriate and not in conflict with the Contract, the Consultant shall exercise every reasonable care to protect the interests of the Employer and take into account the Employer's responsibilities under the project financing agreements, including the Facility Agreement with the IIB.

Despite more general/generous guidance regarding the response time in the Contracts, the Engineer is required to give response to the Contractors' and /or the Employer's requests within max 14 days, unless such timing can be demonstrated to be unreasonable on a case by case basis.

In case any delay in Works will be caused by slow response / initiative / determination or any other actions required and /or expected of the Engineer, the Consultant will have to then extend their services for the respective period without extra payment, unless the delay was outside his reasonable control and cannot be envisaged by the professional consultant experienced in the Services.

The Consultant shall have the following reporting obligations during supervision of the Works under the Contract.

3.2.1 Engineer's Work Programme Report

Within 14 days of issuance of the Engineer's consent to the Contractor's Work Programme, the Engineer shall submit a report to the Employer (Engineer's Work Programme Report), which shall include:

- a) copy of the Contractor's detailed cash flow estimate, in monthly periods, of all payments to which the Contractor will be entitled under the Contract;
- b) copy of the Contractor's detailed time programme showing the order in which the Contractor intends to carry out the Works with the highlighted critical path/s, including Design development, assistance with obtaining of all necessary approvals, general description of the methods which the Contractor intends to adopt, and of the major stages, in the execution and acceptance of the Works, allowing due time for the take-over procedures in line with local law, and other information as may be deemed necessary and appropriate by the Engineer, including coordination arrangements with other Employer's contractors / personnel, if any;
- c) a supporting report which shall include:
 - a list of critical path items and the related Contractor's estimate of delivery periods, accompanied with the Engineer's estimate of the latest delivery periods for each critical path item to warrant the completion in accordance with the Contract;

- for the manufacture of each main item of Plant and Materials, the name of the manufacturer, manufacture location and the expected dates of:
 - commencement of manufacture;
 - Contractor's and/or the Engineer's inspections and tests; and
 - shipment and arrival at the Site;
- the materials and plant selected by the Engineer for inspections and tests including an appropriate specification of the tests to be carried out and the associated arrangements;
- the names and particulars of the Contractor's representative and other superintendence personnel approved by the Engineer in accordance with the Contract;
- the names of Subcontractors consented by the Engineer in accordance with the Contract and for each Subcontractor the cost and quantity of the subcontracted Works; this section shall include a brief justification for the Engineer's consent;
- copies of all notices, consents, approvals, certificates or determinations given or issued by the Engineer within the reported period including consents of the Performance and the Advance Payment securities provided by the Contractor,
- Summary of the main actions with their estimated timing required of the Employer during the contract/s execution, summary of the issued under the contract guarantees and insurances with their key terms and matters for the client to pay specific attention to, such as expiry dates etc., and
- other information as may be reasonably required by the Employer.

Within two weeks from the presentation of this report the Engineer shall organise a meeting with the Employer's and Contractor's representatives and make a presentation regarding main Contract's provisions highlighting key responsibilities of both Parties and of the Engineer (not only technical but also contract administration matters shall be properly covered so that they are understood by all involved), establishing modus operandi and communication system and clarify the expectations regarding Contract's execution including early warning systems in case any issues arise. The focus shall be made on collaboration between the parties and amicable settlement of issues. There and going forward the Engineer shall proactively facilitate the execution and resolution of any issues before they can grow into a dispute or cause delay in the project execution or extra costs.

3.2.2 Design approval Report

The Engineer shall prepare and submit to the Employer the Design approval report within 14 days of the submission of the final Design by the contractor. The report shall demonstrate how the following tasks have been carried out by the Engineer:

- a. Assess the correctness of the input data used for the design, including the state of the existing Facilities and sites conditions;
- b. Assess the adequacy of the basic environmental data used for the design;
- c. Assess the applicability of the design basis established for the detailed design, including whether all necessary studies, investigations and calculations are conducted and all technical conditions from all necessary authorities are obtained, as required by applicable laws or the Contract;
- d. Receive the Design documents from the Contractor, return within 30 days either with "no comments" or "minor comments" which do not require resubmission, or "specific

comments" where the design is not in accordance with the contract. Where the Engineer has such specific comments, ensure that the Contractor returns his revised Design documents for further comments within agreed time frames;

- e. Assess the adequacy of the Contractors detailed design based upon own calculations and evaluations;
- f. Undertake an official review of the design and thus grant approval in capacity of the technical controller in accordance with the local laws and environmental and social procedures required by the Bank (including respective EU directives) and existing local construction regulations. The Engineer shall verify if there are any issues associated with an overlap, if any, between the Engineer's authority and the authority of local agencies in relation to the approval of the Contractor's design in accordance with the Slovak legislation. In this respect, the Engineer shall be expected to make a presentation to the Employer and, if required, to the Bank in relation his duties and authority with particular reference to the General Conditions.
- g. The Consultant will also need to confirm to the Bank that the final designs fully comply with both national and EU requirements. The necessary environmental and construction permits should be obtained by the Client.
- h. Approve the Design documents prepared - in the English and Slovak, as may be applicable according to the Law, by the Contractor and the specified consents in accordance with the Contract, in particular to ensure that such Design documents are in accordance with the: Approved design; Employer's requirements, Reference Design, and Technical Specifications as may be applicable;
- i. The Design documents will comprise, but not be limited to, Drawings, Design Reports, Survey reports, Material Specifications, Test Reports, Construction Schedule, Cost estimates and General Construction Method Statements. The Design documents shall comply with the Slovak regulatory documents and where explicitly stated with the EU requirements and the IIB's Facility Agreement requirements;
- j. Report to the Employer on any non-compliance of the design likely to cause material delay or other adverse consequences in which case the proposal on necessary actions shall be provided together with a notice;
- k. At all times ensure that the Design documents are commented upon and returned to the Contractor in accordance with the Design Submission Schedule and the Contract (normally within 14 days and in no case longer than 30 days);
- l. In consultation with the Employer, review the Contractor's rates, prices and quantities in the Guidance Bills of Quantities which shall be provided by the Contractor as a supplementary information to the Schedule of Payments and shall not exceed the Contract Lump-Sum;
- m. Repeat the above process as necessary to ensure all the Design documents are approved by the Engineer and Relevant Authorities and receives the Specified Consents.

3.2.3 Monthly Progress Reports

The Engineer shall prepare and submit to the Employer monthly progress reports. It shall be noted that the contractor will be obliged to submit their monthly progress reports and therefore the Consultant is expected to add value to those rather than repeating the same information. The first report shall cover the period up to the end of the first full month

following the Engineer's Work Programme Report. Each monthly progress, setting out photographs documenting the progress of the works development and shall confirm following:

- a. whether the latest relevant Progress Report (if any) is still complete, correct and up to date (as of the date on which it was prepared), informing the Bank in particular of any change in the relevant Supply Documents, Permits and Specifications (including any partial or full cancellation or revocation thereof) and of any applicable legal regulations relating to the Plant Development, which could cause the relevant Projected Costs to exceed the relevant Budgeted Costs or could cause delay to Practical Completion as set against the relevant Specifications or beyond the Required Completion Date;
- b. the actual total in percentage terms of the degree of completeness of the Plant Development and of the progress of each item of costs and expenses set out in the relevant Budgeted Costs;
- c. compliance of the Plant Development with the relevant Permits, Specifications and Supply Documents (including compliance with the timetable and identifying any delays and shifts in the approved timetable);
- d. the itemised Projected Costs, comparing each item against the corresponding item of the relevant Budgeted Costs and identifying any potential or incurred Cost Overruns;
- e. that costs and expenses to be financed from any Loan within the relevant period are included in the relevant Budgeted Costs together with an approval of the relevant Invoices;
- f. that the materials, works, services and other items set out in the Invoices delivered to the Bank (may be an attachment to the Progress Report), other than in any Invoices delivered to the Bank in connection with any previous Progress Report, have been procured and performed and have not been paid for;
- g. that the Invoices delivered to the Bank in connection with any previous Utilisation Request have been fully paid;
- h. whether any risks have emerged or are expected to emerge in the course of the Plant Development and, if so, the steps taken or to be taken to mitigate those risks;
- i. whether any damage has occurred to any part of the Plant and, if so, the steps taken or to be taken to remedy it;
- j. overview of Supplier(s)' payment instructions based on the Invoice(s) delivered to the Bank which are to be financed from a Loan (at least with the following scope: identification of a Supplier, Invoice no., issue date, Supplier's bank account no., due amount, due date, variable symbol);
- k. confirming that the current stage of the Plant Development is in compliance with the Supply Documents, Specifications and the Budgeted Costs or all their relevant parts (and, if there are any discrepancies, providing justification and comments on these discrepancies); and
- l. any other matter required by the Bank (acting reasonably) to be included in that report, which matters have not been reasonably foreseeable as of the date of this Agreement, upon having given reasonable notice to the ZVTP.

Apart from these confirmations the Monthly Progress reports shall also include:

- a. comparison in the form of a chart showing the Contractor's original cumulative cash flow estimate, in monthly periods, of all payments to which the Contractor will be entitled under the Contract and the actual payments certified by the Engineer up to the end of the reporting period. In the event of the cumulative amount of the actual monthly

payment certificates being lower than the Contractor's estimate, the Engineer shall accompany the chart with a supporting report and provide:

- details of any events or circumstances that have caused the discrepancy;
 - an assessment of the significance of such events or circumstances, including the Engineer's opinion, on whether these may jeopardise the completion in accordance with the Contract;
 - a report on the measures being (or to be) adopted to overcome delays in respect of each event or circumstances and the contractual basis therefore
- b. comparison of the actual percentage completion of delivery compared with the planned for each critical path item identified in the Engineer's Work Programme Report; where any delivery is behind the programme, the Engineer shall give comments on the likely consequences and state the remedial action being (or to be) taken;
 - c. comparison of the actual percentage completion of delivery compared with the planned for each main item of Plant and Materials, if not included in the list of critical path items;
 - d. information about the use of provisional sums and an appropriate justification therefore;
 - e. photographs showing the status of manufacture and of progress on the Site;
 - f. copies of quality assurance documents, test results and certificates of materials;
 - g. safety statistics., including details of any hazardous incidents and activities relating to environmental aspects and public relations;
 - h. copies of all notices, consents, approvals, certificates or determinations given or issued by the Engineer within the reported period; and
 - i. other information, as may be required by the Employer.

The reports have to be concise and contain only critical information. The Consultant's report should not exceed 10 pages, except for photos which should only be submitted electronically and the above requested copies of the project documents. Only critical correspondence can be attached as the annexes.

3.2.4 Variations and amendments

The Engineer shall note that the Employer is under obligation to seek the Bank's consent before agreeing to or implementing any material modification or waiver to the terms and conditions of the Contract including granting an extension of the stipulated time for completion, granting compensation as a result of a claim determination and instructing / accepting variations. The Engineer shall ensure that the Employer complies with the procedures agreed with the Bank.

If, in exceptional circumstances, the Engineer finds that issuance of a variations would be essential and / or unavoidable, unless, in the opinion of the Engineer, an emergency occurs affecting the safety of life or of the Works or of adjoining property, or any delay with the variation shall give rise to a substantial cost or time overrun, the Engineer shall provide a preliminary report to the Employer on any prospective variation which shall outline the basis for the Engineer's valuation of the variation including but not limited to the following:

- The Engineer's justification for the Variation with the indication of the circumstances led to variation and confirmation whether or not varied works are required for completion of Permanent Works and whether the experienced contractor could have foreseen such works especially taking into account the Contractors' single responsibility for the Design and Build under the Contract. If not required for completion of Permanent works, then that change would likely constitute an amendment and not a variation. The consideration shall be made for a separate tender vs amendment and the Bank shall be timely consulted to make sure the recommendation is in line with the Bank's Procurement Policies.

- The Engineer’s opinion on the extent, if any, of applicability to the varied Works of the rates and prices set out in the Contract/ Guidance Bill of Quantities;
 - when expressing his opinion, the Engineer shall take into account the actual or expected currencies of cost (and the proportions thereof) of the inputs of the varied work without regard to the proportions of various currencies set out in the Contract/ Guidance Bill of Quantities;
- The quantity and the Engineer’s estimate of the value of the varied Works, which can be determined using the rates and prices set out in the contract/ Guidance Bill of Quantities as the basis for valuation:
 - the Engineer shall provide a detailed breakdown of the rates and prices set out in the contract and identify the price components that the Engineer used or intends to use for the valuation of the varied works;
- The quantity and the Engineer’s estimate of the value of the varied Works, which can only be determined using the rates and prices to be agreed upon between the Engineer and the Contractor:
 - The Engineer shall provide to the Employer an appropriate justification of the basis for the agreement with the evidence of at least three quotes from the market to confirm the reasonableness of the suggested rates.
- The time implications of a variation on the contract completion period and the associated subsequent costs for the Employer, such as impact on OPEX and / or maintenance costs.

In case a variation is approved and instructed, the Engineer following the execution of the variation by the contractor, has to provide the final report based on his preliminary report to demonstrate the facts in comparison to his above assessments explaining any deviations with the analysis whether they are material.

3.2.5 Claims from Contractor

In the event of receipt of a notice of claim from the contractor, immediately thereafter, the Engineer shall notify and provide copy the notice to the Employer.

Promptly after the Engineer’s inspection, the Engineer shall provide the Employer with an assessment of the Contractor’s contemporary records, which shall be supported with the Engineer’s preliminary conclusions with regard to the potential outcome of the claim. The Engineer shall also consult with the Employer any instruction, which have been (or to be issued) to the Contractor with regard to any further contemporary records.

The Engineer shall require the Contractor to copy to the Employer all accounts sent to the Engineer with regard to the Contractor’s claim.

Prior to certification of any payment to the Contractor in relation to the Contractor’s claim, the Engineer will have consulted with the Employer the grounds on which the Engineer intends to certify the payment. The Engineer shall provide the Employer with any particulars to enable the Employer to establish his position with regard to the Engineer’s certificate.

3.2.6 Defects Notification Period

(a) No outstanding construction works shall be left for Defect Notification Period (DNP) and the Engineer shall take this into account before issuing the Take-Over Certificate as well as that the As-Built Drawings and manuals will have to be completed also in advance. It may be

acceptable if the comments to the As-Built drawings are finalised by the Contractor during first months of DNP but prior agreement of the Employer shall be obtained for allowing such delay. Finally, the local law requirements on the works acceptance shall be taken into account by the Engineer as the compliance with these procedures is a precondition to the Take-Over certificate and thus advance notice will need to be given to the Employer, so that the required commission can be timely formed;

(b) The Engineer will provide on-site supervision of the Contractor's operations for the first month of the Defects Notification Period, if any, corresponding to the last section of the Project accepted as completed;

(c) During the remaining 12 months of the Defects Notification Period corresponding to the last section of the Project accepted as completed, the Engineer will be responsible for monitoring the Contractor's operations and for issuing any required certificates.

The period of supervision is 24 months including 12 months of Defect Notification period.

After the completion of the works the Engineer shall carry out temporary inspection of the works and to support the ZVTP during the Defect Notification Period of 12 months. The Engineer is expected to assign a Team Leader for this assignment that will be split into 4 missions, one every 3 months with a duration of 5 days per mission.

In case of defects being detected during the Defects Notification Period, the Engineer is required to respond at the request of the ZVTP with a competent team of experts, at his own expense, within 5 days of the receipt of the request from the ZVTP.

The activities of the Engineer during the Defects Notification Period include but are not limited to the following:

- Preparation of the Work Plan and Programme for the works inspection of the quality and defects of the constructed works during the Defects Notification Period on a bi-monthly basis (every 2 months). The Work Plan must include the items that will be inspected including the time frame for each activity and submitted to the ZVTP.
- After each mission including incidental missions, the Engineer must prepare the Report on findings and submit it to the ZVTP within seven days after completion of the mission.
- Checking that the DH plant emissions are in compliance with the defined limits in the Contract. Regular emissions analysis will be based on data and reports provided by the ZVTP and by the Contractor in accordance with the approved programme.
- Verify the compliance of the guaranteed operation & maintenance costs of the DH plant (tests after completion), based on operational data and reports provided by the ZVTP and by the Contractor, in accordance with the approved programme;
- If defects are detected, within seven days after identification of the defects, the Engineer must prepare the Work Plan with recommendations on the remediation of the defects including a list of the activities that will be done and the time frame for each activity and submit it to the ZVTP.
- In case of incidental damages during the Defects Notification Period, the Engineer must notify the ZVTP within 5 days by letter with information on the incidental damages. In this case, the Engineer must inspect the construction and start with the preparation of the Work Plan for organizing an incidental mission and submit it to the ZVTP within 15 days from receiving the letter of information on the incidental damages. After the Work Plan is

approved by the ZVTP, the Engineer is responsible for the organisation and performance of the incidental mission;

- After all missions including the incidental missions, the Engineer must prepare a Final Report of all activities during the Defects Notification Period accompanied with all supporting documents and Final Payment Invoice included and submit to the ZVTP.
- The Engineer must regularly participate at the meetings with appropriate representation, initiated by the ZVTP and other responsible authorities.

3.2.7 Final Completion of Works

Performance Certificate:

(a) Immediately prior to the expiration of the Defects Liability Period for any section of the works for which a Certificate of Completion of the Works has been issued, the Engineer shall in the company of the Employer, and the Contractor inspect the said section and provide written affirmation that the works have been completed and maintained in accordance with the contract, and issue a Performance Certificate for the section.

Final Statement:

(b) Upon receipt from the Contractor within 28 days of the issue of the Performance Certificate for the last section for which the defects liability period has expired, the Engineer shall prepare in co-operation with the Contractor the Final Payment for the contract.

Final Report:

(c) Upon completion of the Contracts, the Engineer shall prepare a final report which shall highlight all major points of interest that arose during the contract. The report will include:

- a confirmation that the Plant (including all Buildings and Technology) was completed in compliance with the Specifications and the Supply Documents, and, except as mentioned under paragraph below, without any defects preventing standard commercial operation of the Plant in accordance with the Specifications;
- a list of defects (*vady*) and incompletions (*nedorobky*), if any, which prevent standard commercial operation of the Plant in compliance with the Specifications, together with a confirmation of:
 - the estimated time within which these defects and incompletions can be removed or rectified; and
 - amount of costs, which will have to be expended for the removal or rectification of these defects and incompletions and specifying how much of these costs will have to be borne by the ZVTP;
- a confirmation that all occupancy and use Permits (*kolaudačné rozhodnutia*) and all other Permits required for the permanent (*trvalá*) standard commercial operation of all parts of the Plant (which, under applicable laws, may be used and operated only subject to an occupancy, use or other Permits) without any reservations or exceptions that would prevent permanent (*trvalá*) standard commercial operation of the Plant have been issued, including specification of any remarks submitted by any affected public authorities and received by the ZVTP, which remarks are not listed in the Permits;

- a confirmation that Practical Completion has occurred, and all Permits required for Practical Completion to occur have been issued and are final and conclusive (*právoplatné*);
- a confirmation of the final status of the Budgeted Costs, the final amount of the actual costs of the Plant Development and the total amount of Cost Overruns, if any, with evidence that all Cost Overruns have been duly paid and a breakdown of the sources from which such Cost Overruns were paid;
- any other matters reasonably required by the Bank to be included in that report, which matters have not been reasonably foreseeable as of the date of the Agreement, upon having given a reasonable notice to the Engineer with a copy to the ZVTP.
- Confirmation that all procedures are carried out in accordance with the local law.

4. IMPLEMENTATION ARRANGEMENTS AND DELIVERABLES

4.1 Implementation Arrangements

The Consultant will report to the ZVTP on all aspects of the Assignment. The Consultant will sign the contract with the ZVTP. The Assignment is expected to start in the fourth quarter of 2019 and have duration of twenty-four months.

The Consultant will be responsible for arranging accommodation and local and international transportation. The Consultant will be responsible for all salaries, fees, allowances, insurance, leave pay and taxes.

The ZVTP will provide suitable office accommodation with telecommunication, but the Consultant will be responsible for the cost of the calls, faxes at the prevailing tariffs of the telephone utility. The Consultant is obligated to provide necessary IT equipment for their work on their own cost. The ZVTP will also provide access to all relevant information, maps, studies, models, legal documents etc. at no cost to the Consultant. The ZVTP will deliver the materials in the original version (i.e. not necessarily in English).

After completion of the service contract all equipment, if any was paid out of this consultancy contract, (vehicle, computer, printer etc.) will be transferred to the ZVTP. This doesn't cover IT equipment provided by the ZVTP at their own cost.

Communication takes place in Slovak and English. All reports are done bilingual. All necessary translation regarding the project is the obligation of the Consultant. All relevant documents necessary for implementation of the tasks will be made available for the Consultant by the ZVTP.

4.2 Deliverables

The Consultant shall submit a draft Inception Report within one month of the commencement of the assignment. This Inception Report shall provide a detailed methodology and staffing plan for carrying out the assignment to ensure that the objectives are satisfied.

A draft Final Report shall be submitted one month before the completion of the assignment that shall summarise the duties carried out and the inputs provided by the Consultant, comment on the achievement of the assignment’s objectives.

It is anticipated that comments on the aforesaid reports would be provided within one week of its submission. The final versions shall be provided by the Consultant within one week of receipt of these comments.

Requirements for other deliverables will be agreed with the ZVTP and these deliverables would include monthly monitoring reports in forms required by the IIB;

The Inception, Monthly and Final Reports shall be submitted in both English and the local language. The number of copies of each report that shall be submitted shall be agreed with the ZVTP.

4.3 Consultant’s Personnel

The Consultant shall employ suitably qualified engineers and other professionals who shall be competent to carry out any/or all of the duties in accordance with responsibilities and/or authorities that may be specified in or necessarily implied from the Contract and from their specific roles.

The Consultant shall arrange for an appropriate head office back-stopping support for the Engineer's supervision team.

All experts who have a crucial role in implementing the contract are referred to as key experts. No home-based work is possible for key experts unless in the extraordinary circumstances and prior approval from the Client and this will be assessed on a case-by-case basis. Key experts are expected to be at the Project site as will be required by the Contractors’ Working programmes and will optimise their inputs during the low-activities periods. Where staff does not speak the local language, interpretation and translation will be the responsibility of the Consultant.

All experts must be independent and free from conflicts of interest in the responsibilities they take on.

Within the Consultant's team the following Key Experts are envisaged.

It is anticipated that the Consultant’s team shall include the following expertise with short-term support as required in other disciplines:

No.	Position	Number	Minimum inputs
1.	Key Expert 1: Project Manager / FIDIC contracts management expert	1	15 man-months
2.	Key Expert 2: Civil Engineer	1	14 man-months
3.	Key Expert 3: Mechanical Engineer	1	14 man-months
4.	Key Expert 4: Electrical Engineer	1	14 man-months

5.	Key Expert 5: International District Heating Engineer	1	14 man-months
6.	Key Expert 6: Local District Heating Engineer	1	14 man-months

Non-key experts

- Civil Engineer (minimum inputs 2-months)
- Mechanical Engineer (minimum inputs 2-months)
- Electrical Engineer (minimum inputs 2-months)
- Architectural Engineer (minimum inputs 2-months)
- Geologist (minimum inputs 2-months)
- Environmental, Health and Safety Expert (minimum inputs 2-months)
- Pool of Additional Experts consisting of local support staff (translator, office manager, secretary)

Key Expert 1: Project Manager / FIDIC contracts management expert

General professional experience

- At least 15 years of professional experience in the design and supervision of civil works, out of which 5 years in district heating field.

Specific professional experience

- Experience in successfully leading, managing and mobilising diverse sector team of experts, delivering tasks on time/under budget (minimum 1 contract completed during the past 5 years);
- At least 2 (two) contracts completed in design and/or supervision of District Heating, out of which minimum 1 contract following FIDIC Yellow Book;
- At least 2 (two) contracts as a Project Manager/Engineer/Resident Engineer/Supervisor/ in supervision of District Heating projects;
- B.Sc. degree in civil, mechanical or electrical engineering or similar relevant qualifications;
- Fluent in English and Slovak.

Key Expert 2: Civil Engineer

General professional experience

- At least 10 years of professional experience in the design and supervision of civil works.

Specific professional experience

- B.Sc. degree in civil engineering or similar relevant qualifications,
- At least 5 years of professional experience in supervision of DH sector projects;
- Fluent in English and Slovak.

Key Expert 3: Mechanical Engineer

General professional experience

- At least 10 years of professional experience in the design and supervision of civil works.

Specific professional experience

- B.Sc. degree in mechanical engineering or similar relevant qualifications,
- At least 5 years of professional experience in supervision of DH sector projects;
- Fluent in English and Slovak.

Key Expert 4: Electrical Engineer

General professional experience

- At least 10 years of professional experience in the design and supervision of civil works.

Specific professional experience

- B.Sc. degree in electrical engineering or similar relevant qualifications,
- At least 5 years of professional experience in supervision of DH sector projects;
- Fluent in English and Slovak.

Key Expert 5: International District Heating Engineer

General professional experience

- At least 10 years of professional experience in the design and supervision of civil works.

Specific professional experience

- B.Sc. degree in engineering or similar relevant qualifications,
- At least 8 years of professional experience in supervision of DH sector projects;
- Fluent in English
- Fluency in Slovak would be an advantage

Key Expert 6: Local District Heating Engineer

General professional experience

- At least 10 years of professional experience in the design and supervision of civil works.

Specific professional experience

- B.Sc. degree in engineering or similar relevant qualifications,
- At least 8 years of professional experience in supervision of DH sector projects;
- Fluent in English and Slovak

All experts shall have experience of the activity for which they are being proposed and in a similar position and shall have:

- Experience of construction supervision and/or project management in countries with climatic conditions similar to the project site;
- Good knowledge of FIDIC contractual arrangements and experience of working with IFIs will be considered an asset;
- Experience in Slovakia and neighbouring countries would be an asset;
- Knowledge of the requirements of local legislation concerning construction (including health and safety), financial, accounting and disbursement issues will be considered as asset unless it is strictly required for the position.

The Consultant's minimum Key Experts' time-input is 85 person-months. The precise time input of the experts is to the discretion of the Consultant, as part of their technical proposal in which they have to demonstrate the rationale for their resources with the objectives and the duration of the contract. As part of the technical proposal the Consultant also shall outline the suggested working methodology and approach.

For all key experts, the Consultant must submit CVs and signed Statements of Availability. For non-key experts, who will be engaged when Project requires it, Consultant must submit CVs which proves experience in similar assignments and appropriate University background for the assignment.

The Consultant may suggest other non-key and / or short-term experts as they consider necessary. The Consultant's experts should have all necessary licenses in accordance with Slovak legislation before start of the design and works.

Annex 1

Supervision of the Works Contracts – Detailed Description of Tasks

a) Contract Supervision

The ZVTP will require the Consultant to perform the duties and authority of the Engineer as specified in or necessarily implied in the Contract. The applicable conditions of contract are the FIDIC Conditions of Contract for Plant & Design - Build (First Ed., 1999) – Yellow Book.

The Engineer shall perform its duties or act:

- Proactively, where the initiative lies with the Engineer in administering the Contract;
- Reactively, in response to the Contractor's or the Employer's requests; and,
- Passively, in observing the requirements of the Contract.

Wherever appropriate and not in conflict with the Contract the Engineer shall exercise every reasonable care to protect the interests of the Employer.

b) Commencement of Work on Site

For all contracts the Consultant will have the following obligations:

- Upon Commencement of the Works, in accordance with the terms of the contracts, execute and deliver Commencement Certificates and obtain the countersignatures of the Contractors.
- If the Contractors do not receive possession of the site from time to time in accordance with the contracts, or if a Contractor does not receive a Commencement Certificate within any period stipulated in a contract, assess whether the Contractor is likely to suffer delay and/or incur extra cost and notify the Client accordingly.

c) Statutory Requirements

The Consultant will have the following obligations:

- Obtain a copy and keep a file of any applicable standards, rules or regulations of all the relevant authorities and public bodies and companies, whose property or rights are affected or may be affected in any way by the Project. Monitor and report to the Client on obtaining compliance with the specified consents by the Contractors.
- If required by the Contractors and permitted by the ZVTP, assist the Contractors in applications for detailed town planning consents, building by-law, building act, building and fire regulation approvals, EIA approvals and other environmental permits and all other statutory approvals and consents required.
- Assist in any negotiation with any owners, lessors, adjoining owners, public authorities, licensing authorities and others for the purchase by the ZVTP of the additional land under the Contract.
- Liaise as necessary with utility companies and other bodies, as appropriate, and assist in and co-ordinate such liaison as necessary.
- Draw up and maintain a schedule of all necessary statutory licences, permits and approvals necessary for the design, implementation and operation of the Project (the Schedule should identify the dates for submissions and approvals, and the person or persons responsible for making application for such licences, permits and approvals either on their own account or on behalf of the ZVTP or the Contractors). Check that

such applications are made on time and assist in negotiations with other parties, as necessary from time to time.

- Coordinate with and assist the Client to ensure that all permits required are obtained on time.

d) Design Check

The Consultant will have the following obligations:

- Assess the adequacy of the basic environmental data used for the design;
- Assess the applicability of the design basis established for the detailed design;
- Establish an independent computer model of the structures checks (if needed);
- Check adequacy of the Contractors detailed design based upon own calculations and evaluations;
- Obtain approval of the design from the technical controllers.

e) Approval of Design

For the design & build contracts, the Consultant will have the following obligations:

- Review and approve the Design Documents prepared - in the English and local language - by the Contractor and the specified consents in accordance with the Contract, in particular to ensure that such Design Documents are in accordance with the:
 - Approved design;
 - Requirements of the contract and in particular the warranties given in the contract;
 - Employer's requirements, Reference Design, and Technical Specifications.
- Assist the Client in obtaining the local design approvals by responsible bodies, if this is foreseen by local regulations and legislation.
- The Design Documents will comprise, but not be limited to, Drawings, Design Reports, Material Specifications, Test Reports, Construction Schedule and General Construction Method Statements.
- Receive the Design Documents from the Contractor, return within 30 days either with "no comments" or "minor comments" which do not require resubmission, or "specific comments" where the design is not in accordance with the contract. Where the Engineer has such specific comments, ensure that the Contractor returns his revised Design Documents for further comments within agreed time frames.
- Report to the Client on any non-compliance of the design likely to cause material delay or other adverse consequences.
- Receive copies in English and local language from the Contractors of such Design Documents submitted to the relevant authorities for their approval and of specified consents which have been obtained in accordance with the Contract.
- Receive copies in English and local language of the Final Design Documents incorporating comments arising from the design approval procedure and approve the Design in accordance with the Contract.
- At all times ensure that the Design Documents are commented upon and returned to the Contractor in accordance with the Design Submission Schedule and the Contract (normally within 30 days).
- Repeat the above process as necessary to ensure all the Design Documents are approved by the Engineer and Relevant Authorities and receives the Specified Consents.

f) Construction Risk Assessment

The Consultant will have the following obligations:

- Identification of hazards for the design and construction stages. This must comprise procedural risks, environmental and social risks, technical and quality risks, risk of cost overrun, risk of delays, risk to third parties, etc.;
- Assess the likelihood of these risks and the potential consequences;
- Identify possible mitigation measures; and
- Proactively and continuously seek to manage and reduce/eliminate hazards/risks.

g) As-Built Drawings and Documentation

For all contracts the Consultant will have the following obligations:

- Upon completion, receive from the Contractors for approval copies of all As-Built Drawings - in the English and local language - of the Permanent Works as completed, and such other technical and design information and completion records relating to the said permanent works as specified in the Contract and as the Engineer or the Client may reasonably require.

h) Environmental and Social Matters

The Consultant will ensure that all applicable environmental and social requirements of the Bank are being adhered to and that the ZVTP is duly informed about the requirements. The construction supervisor shall cooperate with consultant responsible for Environmental and Social regulatory compliance.

i) Archaeological Remains

For all contracts, the Consultant will have the following obligations:

- Receive notice from the Contractors in the event of the discovery of any fossils, coins, articles of value or antiquity or other similar remains, dangerous dumpsites, hazardous contamination or munitions within the Site and advise the Client in relation to the steps to be taken in consequence thereof and the time and cost implications of such steps.
- Decide any extension of time and any additional payment to which the Contractor is entitled in accordance with the terms of the Contract as a result of discovery of any archaeological remains or dangerous dumpsites.

j) Health and Safety

The Consultant will ensure the Contractor prepares and implements a Construction Health and Safety Plan and where necessary, require the Contractors to provide and maintain at their own cost all lights, guards, fencing, warning signs and watching, for the protection of the Works or for the safety and convenience of the public or others.

k) Programming and Monitoring Progress

For all contracts, the Consultant will have the following obligations:

- Advise the Client on compliance by the Contractors with respect to sub-contracting, as specified in the Contracts.
- Upon receipt of the contractors' Programme, and within the time stipulated in the FIDIC Conditions of Contract, notify the contractors, with a copy to the Client, whether the Programme complies with the Contract, and if not, in what respect does it not comply.
- Request the contractors to provide an expected monthly cash flow requirement.
- Verify that the progress of the Works is in compliance with the Programme and

milestone schedule approved under the Contracts on behalf of the Client. Notify the Client as far as possible in advance of any possible failure to attain a milestone by the applicable date or non-compliance with the Programme.

- Report on the Contractors' control of the progress of the Works to ensure completion of the Works within the time established in accordance with the Contracts.
- If for any cause other than those listed in the Contracts, the rate of progress of the Works or any Section is at any time, in the Consultant's opinion, too slow to ensure the completion of the Works or any Section by the Completion Date, instruct the Contractors in accordance with the FIDIC Conditions of Contract in writing with a copy to the Client.
- Authorise any reasonable request by the Contractors to work outside agreed time windows (e.g. at night or on locally recognised holidays) to expedite progress so as to comply with the Completion Date for the Works or any Section.
- Receive from the Contractors due copies of formal quarterly and monthly Progress Reports, in accordance with the FIDIC Conditions of Contract, checking the same to ensure that they cover all relevant aspects of the Works and highlights actual or potential departures from the Programme or the milestone, Payment or Design Submission Schedules and stating the proposed or necessary measures to be taken by the Contractors to overcome such departures; commenting on and supplementing as necessary such Progress Reports before forwarding them to the Client, and advising them of any necessary measures to be taken to achieve completion of each Section within the applicable Time for Completion.
- Convene formal monthly meetings ("Project Team Meetings") with Project participants and other relevant parties. These meetings must have a formal agenda and minutes.
- Check the provision of all necessary insurance, performance securities and warranties and other relevant contract documentation.

l) Engineer's Work Programme Report

In view of the above, within 28 days of issuance of the Engineer's consent to the Contractors' Work Programme, the Engineer will submit a report to the Client and the Employer (Engineer's Work Programme Report), which will include:

- a) Copy of the Contractors' detailed cash-flow estimates, in monthly periods or in accordance with milestone based payment schedules, of all payments to which the Contractors will be entitled under the Contract;
- b) Copy of the Contractors' detailed Time Programme, showing the order in which the Contractors intends to carry out the Works, including general description of the methods which the Contractors intends to adopt, and of the major stages, in the execution of the Works and other information as may be deemed necessary and appropriate by the Engineer;
- c) A supporting report which will include:
 - A list of critical path items and the related Contractors' estimates of delivery periods, accompanied by the Engineer's estimate of the latest delivery periods for each critical path item to warrant the completion in accordance with the Contract;
 - For the manufacture of each main item of Plant and Materials, the name of the manufacturer, manufacture location and the expected dates of:
 - Commencement of manufacture;
 - Contractors' and/or the Engineer's inspections and tests; and
 - Shipment and arrival at the Site;

- Materials and plant selected by the Engineer for inspections and tests, including an appropriate specification of the tests to be carried out and the associated arrangements;
- Names and particulars, including gender, of the Contractors' representative and other superintendence personnel approved by the Engineer in accordance with the Contract;
- Names of subcontractors consented by the Engineer in accordance with the Contract and, for each subcontractor, the cost and quantity of the subcontracted Works; this section will include a brief justification for the Engineer's consent;
- Copies of all notices, consents, approvals, certificates or determinations given or issued by the Engineer within the reported period; and
- Other information as may be required by the Client.

m) Contracts Monthly Progress Reports

The Engineer will prepare and submit to the Client monthly Progress Reports. The first Report will cover the period up to the end of the first calendar month following the Engineer's Work Programme Report. Each monthly progress report will include:

- a) Brief summary information about any events or circumstances which, in the Engineer's opinion, may create sufficient grounds for any time, claim and/or cost overrun under a Contract and the Engineer's recommendation of the measures being (or to be) adopted to overcome such events or circumstances and the contractual basis thereof;
- b) Comparison in the form of a chart showing the Contractors' original cumulative cash-flow estimate, in monthly periods, of all payments to which the Contractors will be entitled under the Contracts and the actual payments certified by the Engineer up to the end of the reporting period. In the event of the cumulative amount of the actual monthly payment certificates being lower than the Contractors' estimates, the Engineer will accompany the chart with a supporting report and provide:
 - Details of any events or circumstances that have caused the discrepancy;
 - Assessment of the significance of such events or circumstances, including the Engineer's opinion on whether these may jeopardise the completion in accordance with the Contracts;
 - Report on the measures being (or to be) adopted to overcome delays in respect of each event or circumstances and the contractual basis thereof;
- c) Comparison of the actual percentage completion of delivery compared with the planned for each critical path item identified in the Engineer's Work Programme Report; where any delivery is behind the Programme, the Engineer will comment on the likely consequences and state the remedial action being (or to be) taken;
- d) Comparison of the actual percentage completion of delivery compared with the planned for each main item of Plant and Materials, if not included in the list of critical path items;
- e) Information about the use of provisional sums and an appropriate justification thereof;
- f) Photographs showing the status of manufacture and of progress on the site;
- g) List of new quality assurance documents, reports on test results and certificates of materials;
- h) Safety statistics, as provided by the contractors, including details of any major incidents and activities (e.g., strikes, riots, demonstrations, media attention, etc) relating to workers, public, and environment;
- i) List of all notices, consents, approvals, certificates or determinations given or issued by the Engineer within the reported period; and
- j) Other information, as may be required by the Client.

n) *Quality Control*

The Consultant shall:

- Develop a Quality Management Plan (QMP) for all aspects of the Project.
- Require the contractors (and design consultants) to develop and adhere to a Project specific Quality Assurance Manual.
- Receive from the Contractors (and design consultants) the full particularised version of their Quality Assurance Manual in English and local language; as soon as possible check and comment upon the same and, if necessary, request the Contractors to amend the same.
- Audit the Contractors' and Sub-Consultants' QA implementation.
- Inform the Client if there are any difficulties in obtaining such a fully particularized Quality Assurance Manual in the form required by the Engineer. Carry out necessary oversight to ensure that the Contractors maintain an effective and sufficient quality assurance procedure for the Works and monitor its operation.
- Ensure that the contractors retain independent inspection companies acceptable to the Client, to undertake their own Quality Control (QC).
- Notify the Client if there is any failure of tests or inspection and if such failure is anticipated to cause delay to any Completion Date or other material adverse consequence; advice on further tests required and arrange that the Contractors carry out necessary rectification.
- Carry out oversight inspection of the work being executed by the Contractors to provide assurance as to the quality and standards of the materials and workmanship, and compliance with the specifications and drawings as included in the contracts, the Approved Design, the Detailed Drawings, the Method Statements, the Quality Assurance Manual and any agreed amendment thereto.
- At all reasonable times have access to the site and to workshops and places where materials or plant are being manufactured, fabricated or prepared for the Works.
- Verify that independent testing of the materials or plant to be supplied under the contracts as is required by the contracts has been or is to be carried out in accordance with such requirements at the expense of the Contractors.
- Agree with the Contractors procedures and times for inspecting, witnessing or testing any materials or plant as provided in the Quality Assurance Manual or the Contracts. Where notice of testing is required, give the Contractors not less than 72 hours' notice of intention to carry out an inspection or attend tests.
- Agree practical procedures with the Contractors for giving notice for any examination by the Engineer, which may be required before the Contractors can cover up or put out of view any part of the Works. In accordance with such procedures, and the approved Quality Assurance Manual, examine where appropriate and check any part of the Works which is about to be covered or put out of view; notify and advise the Client if any material defects are discovered and monitor the remedying of same.
- Request the Contractors to make available for review copies of all test results within a reasonable time of the test being carried out.
- Through oversight of the contractors operations, or through on-site inspection, determine if any materials or plant are or are, likely to be, defective or otherwise not in accordance with the Contracts, and reject such materials or plant.
- Take into consideration any reasonable requirement by the ZVTP of inspection, testing of plant, goods or materials found to be defective pursuant to the contracts or where he has reasonable ground for suspecting the existence of a defect or defects. Carry out any such inspection and arrange such testing on behalf of the ZVTP in accordance with the

contracts.

- Afford full opportunity for the ZVTP to ask for and to be present when examining and measuring any part of the Works which is about to be covered up or put out of view, and examining foundations before any part of the Works is placed thereon. Give reasonable prior notice to the ZVTP whenever such part of the works or foundations is ready for such examination.
- Carry out, when requested by the Client, such other inspections, supervision of testing on-site or procure the carrying out by the Contractors of such tests and supervise the same and carry out such other acceptance procedures or arrangements with the Relevant Authorities.
- Supervise factory inspections, all installation work at the sites and commissioning/testing of Project components, if required.

o) Site Management

The Consultant shall:

- Attend site meetings and endeavor to ensure that at all times outstanding problems are settled in order to avoid any delay or extra expenditure (having regarded, however, to the terms of the Contracts and the limitations on the authority of the Engineer referred to under these ToR).
- Keep track on all interfaces, attend interface co-ordination meetings and assure that all interfaces are properly managed and that interface problems are addressed and solved.
- Keep full and proper records of all meetings and discussions attended or conducted by the Engineer and make the same available for inspection by the Client forthwith on request.
- On request of the ZVTP, attend meetings to resolve differences of opinion on general or technical matters.
- Ensure that the Client receives timely notice of and is permitted to attend all site meetings and other meetings with the Contractors.
- Notify the Contractors if the Engineer objects to any person who has conducted himself as incompetent or negligent; notify and advise the Client if this is the case and agree on any action to be taken.
- Advise the Client on the general organisation of the Contractors' resources at the Site, including management and programming systems, manpower, plant and equipment.

p) Payments and Accounts

The Consultant should carry out the duties of the Engineer in relation to payment of the Contractors' Works in accordance with the Contracts:

- Receive from the Contractors on a monthly basis invoices pursuant to the Contracts.
- Upon receipt of the Contractors' invoices, copy to the Client each such invoice and give due consideration to any comments of the Client;
- Check in accordance with the relevant provisions of the Contracts the Contractors' invoices and resolve with the Contractors, where possible, any mistakes and queries which may arise in conjunction therewith; advise the Client of any adjustments considered necessary.
- Ascertain the amount to be certified in respect of the Contractors' invoices pursuant to the Contracts. Within the times stipulated in the FIDIC Conditions of Contract, issue a certificate addressed to the Contractor and the Client specifying the aggregate amount payable by the Client to the Contractor.
- Certify any additional amounts due to a Contractor in respect of valid claims notified in accordance with the procedure set out in a Contract.

- Consider any invoices submitted by the Contractors pursuant to the Contracts and certify any additional sums which the Engineer is empowered to certify as due, provided always that the Contractors has supplied sufficient particulars to enable the Engineer to determine the amount due.
- Collate and prepare quarterly budgets showing sums anticipated to fall due from the ZVTP to the Contractors, dates and amounts of invoices and certificates under the Contract and milestones values expected to be achieved in the quarter and deliver the same to the Client forthwith.
- Fully comply with the procedure for disputed certificates set out in the Contracts. In particular, complete within two weeks any adjudication under the Contracts, which may be required. Forthwith carry out any correction or modification of any certificate or other action authorised by the Contracts whenever the Engineer considers it appropriate to do so.
- As required by the FIDIC Conditions of Contract, no later than fifty six (56) days after the date of issue of the last Performance Certificate, receive from the Contractors draft Final Payment Certificates pursuant to the Contracts. Within the times stipulated in the FIDIC Conditions of Contract after receipt of this draft Final Payment Certificate, work with the contractors to agree a Final Statement.
- Maintain project accounts and prepare final project accounts.

q) Delays and Claims

The Consultant shall:

- Check that the Contractors continue to give the details and notices that are required under the Contracts relating to any delay and forward such details and notices to the Client.
- Notify the Client immediately if a Contractor fails to complete any Section within the applicable Completion Date or appears likely so to fail.
- Advise the Client on any difficulties that may arise generally in connection with the execution of the Works.
- Receive notice of the intention of a Contractor to claim any additional payment within the times stipulated in the FIDIC Conditions of Contract and adopt the stipulated process for claim resolution and notify the Client thereof.
- Upon the request of the Contractor, discuss the delay, the reasons therefore, determine and notify the Contractor of any extension of time and any amendments to any of the milestone, payment and design submission schedules. Where the delay has been caused by any of the causes referred to in the Contracts or where an extension of time has been granted, consult with the Contractor on behalf of the Client, and send to the Client for its review, such revisions to the Programme, milestone, Payment and Design Submission Schedules which the Contractor considers necessary in consequence of any such delay or extension of time.
- Work with the Client and the Contractor to set up the Dispute Adjudication Board, as required under the FIDIC Conditions of Contract, and follow up all requisite processes in addressing the Contractors or Clients claims.
- If necessary prepare a case for the application of Delay damages or a claim against the Performance Guarantee where a Contractor has failed to perform.

In addition to the above, in the event of receipt of a notice of claim from a Contractor, immediately thereafter, the Consultant will notify and copy the notice to the Client.

Promptly after receipt of any contractor's claim, the Consultant will provide the Client with an assessment of the Consultant's preliminary conclusions with regard to the potential outcome of the claim. The Consultant will require the Contractor to copy to the Client all accounts sent to the Consultant with regard to the Contractor's claim.

Prior to certification of any payment to a Contractor in relation to a Contractor's claim, the Consultant will have consulted with the Client on the grounds on which the Consultant intends to certify the payment. The Consultant will provide the Client with any particulars to enable the Client to establish its position with regard to the Engineer's certificate.

r) Completion and Defects Notification Period

The Consultant shall:

- Within the terms and conditions stipulated within the FIDIC Conditions of Contract receive a request from a Contractor to issue a Taking-Over Certificate in respect of the Works.
- Within 21 days of receipt of such a request, inspect the Works with a representative of the ZVTP.
- Provided that the Client has confirmed that they have no objection to the Engineer so doing, issue immediately to the Contractor, with a copy to the said parties, a Taking-Over Certificate stating the date on which the Works were substantially completed in accordance with the Contract.
- Taking into account any comments of the said parties, give instruction in writing to a Contractor specifying all the work required to be done by the Contractor before the issuance of a Taking-Over Certificate; notify the Contractor of any defects in the Works affecting Completion that may appear after giving such instructions and before completion of the Works specified therein; provided that the Contractor has completed the Works so specified and remedied any defects so notified to the satisfaction of the Engineer and the Client, issue a Taking-Over Certificate within the period as prescribed in the FIDIC Conditions.
- Instruct a Contractor to search for defects and the cause thereof and to execute all such work of amendment, reconstruction, and remedying defects, shrinkage or other faults during the Defects Notification Period as prescribed within the FIDIC Conditions.
- Monitor generally the Contractors in performing their obligations during the Defects Notification Period. Prepare and issue a Performance Certificate, within the times and using procedures prescribed within the FIDIC Conditions.
- In the event that a Contractor refuses to carry out any rectification work, assist the Client in the employment of an alternative Contractor and in the recovery from the Contractor of the costs of employing the same where applicable.
- Advise the Client of the value of any completed Section and of any further information as may be necessary for calculating any adjustment in the amount of the Performance Security and any other bonds or securities procured by the Contractor to secure its obligations.
- Arrange for the return of any outstanding guarantees provided by Contractors, such as performance securities.

s) Variations

The Consultant shall note that before agreeing to any modification or waiver of the terms and conditions of a contract or granting an extension of the time for performance (except in cases of extreme urgency brought about by unforeseeable events not attributable to the procuring

entity), the Client shall obtain the Bank's no objection to the proposed modification, waiver or extension. All change or variation orders made in accordance with the terms and conditions of the Contract are subject to the Bank's review before a no-objection can be given for disbursement.

The Consultant will assist the Client to comply with the procedures agreed with the Bank.

Unless, in the opinion of the Consultant, an emergency occurs affecting the safety of life or of the Works or of adjoining property, the Consultant will provide a preliminary report to the Client on any prospective variation, outlining the basis for the Consultant's valuation of the variation, including but not limited to the following:

- The Consultant's opinion on the extent, if any, of applicability to the varied Works of the rates and prices set out in the Contract; when expressing an opinion, the Consultant will take into account the actual or expected currencies of cost (and the proportions thereof) of the inputs of the varied work without regard to the proportions of various currencies set out in the Contract;
- The quantity and the value of the varied Works that can be determined using the rates and prices set out in the Contracts;
- The quantity and the Consultant's estimate of the value of the varied Works, which can be determined using the rates and prices set out in the contract as the basis for valuation: the Consultant will provide a detailed breakdown of the rates and prices set out in the Contract and identify the price components that the Consultant used or intends to use for the valuation of the varied works;
- The quantity and the Consultant's estimate of the value of the varied Works, which can only be determined using the rates and prices agreed to be agreed upon between the Consultant and the Contractors. The Consultant will provide to the Client with an appropriate justification of the basis for the agreement.

In case of a variation, the Consultant will follow the procedures and conditions stipulated within the FIDIC Conditions:

- However, in the event that the Client orders changes to the Approved Design, and if the compliance with such order has, in the opinion of the Engineer, materially delayed or is potentially likely to delay the Completion Date for the Works or any Section, determine the extension of time and the additional payment to which the Contractor will be entitled in accordance with the terms of the Contract.

t) Suspension

If in the Consultant's opinion, a suspension is required, the Consultant will initially consult with and seek the approval of the Client. After receiving their approval to issue a suspension, the Consultant will follow the procedures and conditions established in the FIDIC Conditions.

u) Default and Disputes

The Consultant shall:

- Notify the Client immediately if a Contractor is failing to comply with its obligations under a Contract. Discuss with the Client possible remedies, and advise on the rights and obligations of the parties under the Contract.
- As soon as may be practicable after any entry and termination by the Client in

accordance with a Contract, adopt the procedures and conditions stipulated in the FIDIC Conditions.

- If any urgent remedial work is necessary, act in accordance with the Contract, and otherwise advise the Client on carrying out the same by the Contractor or, if impossible to do so, discuss such failure with the Client.
- If any dispute or difference is referred to arbitration, assist the Client generally in respect of such arbitration provided always that the Engineer will not be required to act improperly or contrary to his obligations as the Engineer under the Contract.
- In the event of termination, provide advice and assistance in connection with the departure of a Contractor from the site and the assignment of the benefit of any agreement for the supply of goods, materials, services and/or execution of any works.
- Advise the Client of their rights upon the occurrence of any Force Majeure event.

PART III - Conditions of Contract and Contract Forms

Client / Consultant Model Services Agreement 5th Edition, 2017, (FIDIC White Book), prepared by the Fédération Internationale des Ingénieurs-Conseils (FIDIC) shall be those forming PART III General Conditions of Contract.

These Conditions are subject to the variations and additions set out in Appendix I. 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

APPENDIX I – PARTICULAR CONDITIONS

A. References from Clauses in the General Conditions

1. Definitions

(i) The Project is: Zvolen District Heating Project – Construction supervision, role of FIDIC engineer

17. Duration of Liability: 42 days

Reckoned from: Date of occurrence of the event, as a basis of claim

18.1 Limit of Compensation: **10% of Contract Price**

22. Commencement: 15 days within submission of Client's Letter of Commencement

Completion: 24 months after the Commencement of services

31. (ii) Time for Payment: 42 days

Agreed Compensation for overdue payment: 0,01% percent per day

32. Currency of Agreement: Euro

36. Language(s) of the Agreement: English

Ruling language: English

Law to which Agreement is subject: Law of Slovak Republic

37. Principal place of business: Slovak Republic

41. Notices

Client's address

RNDr. Miroslav Duplinský

Member of the Board of Directors and

Director of Production and Maintenance

Zvolenská teplárenská, a.s.

Lučenecká cesta 25

961 50 Zvolen

Slovakia

E-mail: duplinsky@zvtp.sk

Consultant's address

44. Rules for Arbitration: The President of FIDIC or a person appointed by the President

APPENDIX A - SCOPE OF SERVICES

The Scope of the Consultant's Services will be the Terms of Reference together with the Appendix 1

APPENDIX B - PERSONNEL, EQUIPMENT, FACILITIES AND SERVICES OF OTHERS TO BE PROVIDED BY THE CLIENT

No personnel, equipment, facility or services will be provided by the Client

APPENDIX C: Payment Schedule

The Consultant will be requested to propose Payment Schedule