

## **Invitation for Expressions of Interest for**

### **Zvolen District Heating Project - Implementation Support and Contract Administration**

Procurement ref: 4  
Country: Slovakia  
Project number: 1  
Funding sources: IIB loan proceeds  
Contract type: consultancy services  
Notice type: invitation for expressions of interest  
Issue date: 5 April 2019  
Closing date: 18 April 2019, 12:00 Zvolen local time

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

### **One-stage Open Tender**

#### **Background:**

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

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

The rationale for the investment stems from the need to decrease the emission of SO<sub>2</sub>, NO<sub>x</sub> and dust in accordance with Directive 2010/75 / EU of the European Parliament and Decree of the Ministry of the Environment of the Slovak Republic No 410/2012. Continuing operations requires rebuilding the plant and installing modern technology, making it operational no later than on 30.6.2020 (the technical and commercial completion date of the new DH Plant). Since that date the Company will no longer be able to use coal for heat generation because of regulatory constraints.

The Company and the Bank have now agreed that the assistance of an experienced firm (the “Consultant”) is required in order to facilitate implementation of the Project (by Project it is meant the implementation of DH Plant until successful operations) including providing necessary reporting for the Bank and support the Client in contract administration.

#### **Specific tasks include, inter alia:**

The overall objective of this Assignment (by Assignment in this Terms of Reference it is meant Implementation Support and Contract Administration) is to facilitate the timely and effective implementation of the Project by providing assistance in project implementation, procurement of the biomass plant equipment and its installation, and construction supervision

consultant/FIDIC<sup>1</sup> Engineer services in a detailed manner in accordance with the best international practice, agreed procurement strategy and procedures of the Bank and pursuant to all other stipulations from the Facility Agreement signed between the Company and IIB. (by Facility Agreement it is meant the loan agreement between the IIB and Zvolenská teplárenská, the main deliverables and documents to be prepared under the Facility Agreement are provided in this Terms of Reference. The Facility Agreement will be provided to the contracted Consultant under this Assignment upon signature of the contract).

In order to meet the above objectives, the Consultant shall, inter alia:

- Provide project management support to the Company to co-ordinate, administer, manage, monitor and evaluate all the aspects of the Project with the main focus on project, procurement, financial and contract administration;
- Ensure timely preparation of utilization requests to the Bank for payments under the contracts, including assistance in opening and operation of letters of credit, if required;
- Ensure that all reports (namely Progress Reports and Final Report) required by the IIB for implementation of the project and the loan are submitted on schedule;
- Prepare an integrated time schedule for progress meetings with various parties; attending meetings together with representatives of the Company to support the Company's overall programme, receiving responses and comments on reports, and discussing the Project issues on a regular basis with Company and other key stakeholders; distributing minutes of meetings, including follow-up actions required to ensure the project progress;
- Advise the Company on procurement strategy and its updates;
- Assist the Company to prepare tender documents inclusive technical specifications and requirements (technical specifications and requirements will be prepared together with the Consultant responsible for Preparation of detailed designs and with whom it is expected to cooperate closely), clarifications/explanations and other relevant information to facilitate preparation of the tender documents;
- Assist the Company with clarifications and amendments to the tender documents;
- Assist the Company during tenders opening session and draft the tender opening minutes;
- Assist the Company with the evaluation of tenders and prepare evaluation reports;
- Assist the Company with drafting the contracts with the winning tenderers, notifications of contracts award and notices to unsuccessful tenderers;
- Support the Company in resolving complaints, if any.

It is expected that with the Consultant's involvement the Company will have access to the best international practice in implementation of projects, contract administration, as well as receive advice on specific financial and technical issues.

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

**Status of Selection Process:** Interested firms or group of firms are hereby invited to submit proposals.

**Assignment Start Date and Duration:** The Assignment is expected to start in April 2019 and has an estimated overall duration of 32 months.

**Cost Estimate for the Assignment: up to EUR 275,000 (exclusive of VAT).**

The Consultant must determine whether any indirect taxes/VAT are chargeable on the proposed

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<sup>1</sup> Abbreviation for The International Federation of Consulting Engineers (French name Fédération Internationale Des Ingénieurs-Conseils) is an international standards organization for the consulting engineering & construction.

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

**Funding Source:** IIB Loan proceeds

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

**Consultant Profile:** Corporate services are required. The Consultant shall be responsible for mobilisation of qualified project manager, MDB procurement specialist, financial expert(s), and engineers with proven experience in supporting implementation of projects financed by MDBs (such as the IIB, EBRD, World Bank, EIB or other applicable). The experts shall be experienced in preparation and/or implementation of projects, including district heating.

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

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

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

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

It is anticipated that the Consultant’s team shall include the following expertise:

- Team leader/project manager;
- Local project manager;
- MDB (multilateral development bank) procurement and contracts expert;
- Financial and disbursement expert;
- Accounting expert;
- Engineers:
  - Civil / mechanical;
  - District heating;
- Environmental and social expert.

All experts shall preferably have a minimum of 5 years’ experience of the activity which they are proposed for, except for Team leader/project manager where 8 years of experience is required. The experts shall also have the following experience for positions they are proposed, including:

- project management experience;

- advisory and consultancy experience in public sector clients gained in countries with conditions similar to Slovakia;
- experience with district heating projects;
- experience from infrastructure projects financed by various MDBs;
- experience with preparation of tendering procedures and procurement strategies under MDB procurement rules, preferably at public sector projects;
- experience in preparation / implementation of infrastructure projects incl. district heating rehabilitation and upgrade projects;
- experience in (i) project planning activities; (ii) providing assistance with planning and design activities; (iii) project management; (iv) project management assistance; (v) preparation / implementation of projects financed by various MBDs; (vi) financial and economic advisory including preparation of financial statements and models, cashflow and financial ratios calculations;
- good knowledge from projects tendered under procurement procedures and rules of multilateral development banks, such as the IIB, EBRD, World Bank, EIB
- good knowledge of FIDIC Red Book;
- good knowledge of requirements of Slovak legislation concerning construction, engineering, financial matters, environmental and social issues.
- be able to work proficiently in English, fluency in Slovak would be an advantage.

**Submission Requirements:** In order to determine the capability and experience of Consultants, the consultants are now invited to submit a completed Technical and Financial Proposal as per the standard forms provided as attachment to this notification and the information submitted should include the following:

### **1. Technical proposal:**

The technical proposal shall contain the following:

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

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

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

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

The technical proposal shall not exceed 25 pages (excluding CVs and contact sheet). A technical proposal that contains elements of a financial proposal shall be declared non-responsive.

### **2. Financial proposal:**

Financial proposal shall be prepared using the forms FIN-1, FIN-2 and FIN-3 completed in the manner and detail indicated therein. The financial proposal should list all costs associated with performing the assignment and must be expressed in the currency specified in the procurement notice. The prices in the financial proposal to be incorporated in the final Contract, shall be

fixed during the performance of the Contract and not be subject to any variation on any account. A financial proposal submitted with an adjustable price offer shall be treated as non-responsive and rejected.

The financial proposal must be contained in separate and sealed envelope - the original version of the financial proposal and all paper copies of the financial proposal in both language versions, shall be placed in a separate sealed envelope. The envelope for the financial proposal shall:

- bear the name and address of the Consultant;
- bear the Assignment Title - Zvolen District Heating Project - implementation support and contract administration
- be addressed to the contact person of the executing agency below, and
- be clearly marked "FINANCIAL PROPOSAL - NOT TO BE OPENED UNTIL AFTER THE COMPLETION OF THE TECHNICAL EVALUATION."

The envelope with financial proposals shall be then placed together with hardcopies of technical proposal in a single outer envelope and sealed. The outer envelope shall:

- bear the name and address of the Consultant;
- bear the title - Zvolen District Heating Project - Implementation Support and Contract Administration;
- be addressed to the contact person of the executing agency below, and
- be clearly marked "**PROPOSAL for Zvolen District Heating Project – Implementation Support and Contract Administration**" and with text "NOT TO BE OPENED UNTIL DEADLINE FOR SUBMISSION OF PROPOSALS".

The potential consultants shall submit 1 original and 1 copy of the technical and financial Proposal, in both English and Slovak, and these shall be submitted to the Company in one single envelope marked as written above, to reach the Company not later than 12:00 (Zvolen time) on the closing date.

One further electronic copy with 4 separate files shall be submitted to the Company contact person via e-mail by the same due date. The e-mail shall contain 4 separate files:

1. Technical proposal in PDF for the English version
2. Technical proposal in PDF for the Slovak version
3. Financial proposal in PDF for the English version submitted in password encrypted PDF file
4. Financial proposal in PDF for the Slovak version submitted in password encrypted PDF file.

Each file shall not be larger than 4 MB. Consultants are reminded of the requirement to ensure the confidentiality of the Financial Proposals; password for electronic versions shall be provided only after written request by the executing agency after evaluation of technical proposal. Financial proposals submitted without password encryption shall be treated as non-responsive and rejected.

**Important Notes:**

1. Any proposal's validity period is 120 days from the deadline date for receipt of submissions. During this period, the Consultant shall maintain its original proposal without any change, including the availability of the Experts, the proposed rates and the total price.
2. The selection will normally be made from responses to this notification only. The highest-ranked Consultant will be selected and be invited to negotiate the contract, subject to availability of funding. Consultant selection and contracting will be subject to availability of funding.

3. The criteria for evaluation of technical proposal are as follows:

- (i) Specific experience with providing project implementation support services in infrastructure projects funded by MDBs: 10%
- (ii) Specific similar project experience in financial reporting, monitoring, advisory: 10%
- (iii) Specific experience in district heating projects: 10%
- (iv) Specific experience from providing procurement preparation and/or procurement support in projects under MDB procurement rules (e.g. IIB, EBRD, WB, EIB): 15%
- (v) Experience in the region: 10%
- (vi) Capacity of the firm, organisational structure and local/regional presence: 15%
- (vii) Availability and CVs of experts and knowledge of Slovak: 30%
  - Education 10%
  - Specific experience related to the expert's position 20%
  - Specific project experience 20%
  - Specific regional experience 20%
  - Specific experience from projects financed by MDBs (e.g. IIB, EBRD, WB, EIB, etc.) 20%
  - Fluency in Slovak 10%

4. Opening of financial proposals

After the technical evaluation is completed, only those Consultants which score 70% or above of the total 100 % available for the technical evaluation, will be eligible to have their financial proposals opened.

5. Combined Technical and Financial Evaluation

The lowest evaluated financial proposal (Fm) is given the maximum financial score (Sf) of 100. The formula for determining the financial scores (Sf) of all other proposals is calculated as follows:

$Sf = 100 \times Fm / F$ , in which "Sf" is the financial score, "Fm" is the lowest evaluated Financial Proposal, and "F" the price of the financial proposal under consideration.

Proposals are then ranked according to their combined technical (St) and financial (Sf) scores using the weights (**T = 95; F = 5**)  $T + F = 100$  as follows:  $S = St \times T\% + Sf \times F\%$ .

## CONTACTS

### **Executing Agency (Company):**

Zvolenská teplárenská, a.s.

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

Tel.: + 421 903 457 638

E-mail: [duplinsky@zvtp.sk](mailto:duplinsky@zvtp.sk)