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## WORKS PROCUREMENT NOTICE

### “Construction and Rehabilitation of Water Supply and Wastewater Systems in the Town of Karlovac”

Karlovačka County, Croatia

#### 1. Publication reference

EuropeAid/127425/D/WKS/HR

#### 2. Procedure

Open

#### 3. Programme

ISPA

#### 4. Financing

ISPA 2005/HR/16/P/PE/001; Karlovac Water and Waste Water Programme

#### 5. Contracting Authority

Central Finance and Contracting Agency, Katančičeva 5, 10000 Zagreb, Croatia

### CONTRACT SPECIFICATIONS

#### 6. Description of the contract

This works contract includes all necessary installation and civil works for the Water Supply System comprising refurbishment and cleaning of the existing water wells at Mekušje and at Borlin, refurbishment of the Borlin reservoir, replacement of 9.5 km of pipes which are in worst condition (Group 6) and all necessary installation and civil works for the Wastewater System comprising construction of the main collector sewers, holing-through rivers, drilling beneath railways and buildings, construction of pump stations and secondary & tertiary sewers (integrated in 5 Groups):

##### Group 1:

- Grad Main Lift Station
- Main Grad Collector (section 3) including micro-tunneling beneath the Korana River
- Connection of the South Main Collector to the WWTP

##### Group 2:

- Gaza Stormwater Pumping Station

- Stormwater Discharge Gaza (section 4) – micro-tunneling
- Reconstruction of the existing main discharge collector for use as Stormwater Retention Volume (section 16)
- Demolition of the building of the old PS Sanac (Gaza)
- Draining PS Struga for rest water from the stormwater retention pipe (section 16)
- Pressure Pipe Ulica Gornja gaza (section 15)

**Group 3:**

- Pumping Station Banija 2
- Collector Banija – Gaza (section 1a), including holing-through beneath the Kupa River
- Collector Gaza (sections 7 and 7a)
- Holing-through of the Collectors 1a and 7 beneath the Building of the Fire Brigade
- Pumping Station Dreznik
- Main Collector Dreznik (section 11), including holing-through beneath the Kupa River

**Group 4:**

- Pumping Station Banija 1
- Collector Banija (section 1b)
- Collector PPK (section 6)
- Rehabilitation of existing Network (section 13)

**Group 5:**

- Pumping Station Mostanje
- Collector and Sewer Lines Svarca (sections 2c; 2b; 2a-2), including holing-through beneath the Korana River
- Pumping Station Svarca 1
- Sewer Mala Svarca (section 8)

**Group 6:**

- Replacement of 9.5 km of pipes which are in worst condition
- Refurbishment and cleaning of the existing water wells at Mekušje and at Borlin
- Refurbishment of the Borlin reservoir

**7. Number and titles of lots**

Not applicable

## TERMS OF PARTICIPATION

### 8. Eligibility and rules of origin

Participation is open to all legal persons participating either individually or in a grouping (consortium) of tenderers which are established in a Member State of the European Union or in a country or territory of the regions covered and/or authorised by the specific instruments applicable to the programme under which the contract is financed (see also heading 22 below). All works, supplies and services under this contract must originate in one or more of these countries. Participation is also open to international organisations. The participation of natural persons is directly governed by the specific instruments applicable to the programme under which the contract is financed.

Since co-financing of this project is provided also by the EBRD, participation of third countries is authorised with regard to this project and in accordance with EBRD eligibility rules.

N.B. The extract of EBRD eligibility rules from the "Procurement Policies and Rules" document, that is available at the following website (<http://www.ebrd.com/pubs/finance/ppr.htm>), is enclosed as Annex to the Procurement Notice.

### 9. Grounds for exclusion

Tenderers must submit a signed declaration, included in the Tender Form for a Works Contract, to the effect that they are not in any of the situations listed in point 2.3.3 of the *Practical Guide to contract procedures for EC external actions*.

### 10. Number of tenders

Tenderers may submit only one tender for whole of the Works. Tenders for parts of the Works will not be considered. Any tenderer may state in its tender that it would offer a discount. Tenderers shall not submit a tender for a variant solution in addition to their tender for the works required in the tender dossier.

### 11. Tender guarantee

Tenderers must provide a tender guarantee of 350.000,00 euros when submitting their tender. This guarantee will be released to unsuccessful tenderers once the tender procedure has been completed and to the successful tenderer(s) upon signature of the contract by all parties.

### 12. Performance guarantee

The successful tenderer will be asked to provide a performance guarantee of 10% of the amount of the contract at the signing of the contract. This guarantee must be provided together with the return of the countersigned contract no later than 30 days after the tenderer receives the contract signed by the Contracting Authority. If the selected tenderer fails to provide such a guarantee within this period, the contract will be void and a new contract may be drawn up and sent to the tenderer which has submitted the second best admissible tender.

### 13. Information meeting and/or site visit

A site visit for wastewater part of the works will take place on 04 December 2008 in Karlovac. It is strongly recommended that interested tenderers attend this site visit. The site visit will start at 10:00 hrs local time, at the following address:

Karlovac City Hall  
Banjavčičeva 9  
47 000 Karlovac  
Croatia

A site visit for water supply part of the works will take place on 05 December 2008 in Karlovac. It is strongly recommended that interested tenderers attend this site visit. The site visit will start at 10:00 hrs local time, at following address:

Karlovac City Hall  
Banjavčičeva 9  
47 000 Karlovac  
Croatia

A clarification meeting will be held at 14:30 hrs local time on 05 December 2008 at the following address:

Karlovac City Hall  
Banjavčičeva 9  
47 000 Karlovac  
Croatia

The minutes of the clarification meeting will be submitted in writing or by e-mail to the Tenderers.

#### **14. Tender validity**

Tenders must remain valid for a period of 90 days after the deadline for submission of tenders.

#### **15. Period of implementation**

The time for completion of all the Works shall be:

- 12 months from the commencement date for Section 1 of the Works, which include Groups 1, 2 and 3 of the Works as defined under point 6 of this Procurement Notice
- 14 months from the commencement date for Section 2 of the Works, which include Groups 4, 5 and 6 of the Works as defined under point 6 of this Procurement Notice

including winter and high flood periods.

Defect Notification Period will be 12 months commencing upon the issue of the Taking Over Certificates.

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### **SELECTION AND AWARD CRITERIA**

#### **16. Selection criteria**

The minimum selection criteria for the **Sole Tenderer** include:

1. He must be a registered firm or natural person capable of carrying out the specified works.

2. The Tenderer must have an annual turnover for each of the last 3 years<sup>1</sup>, equivalent to EUR 45 million.
3. The Tenderer must have access to sufficient credit and other financial facilities to cover the required cash flow for the duration of the contract. In any case, the amount of credit available must exceed the equivalent of EUR 5 million.
4. The Tenderer must carry out at least 70% of the contract works by his own resources, which means that he must have the equipment, materials, human and financial resources necessary to enable him to carry out that percentage of the contracted works.
5. The Tenderer must have as a prime contractor completed at least 3 projects (each project of minimum EUR 5 million value) or one project with a minimum EUR 15 million value in the period of 15 months, comprising all necessary installation and civil works for the construction of a main sewerage network and the laying of water supply lines, construction of pumping stations, stormwater outflows, rehabilitation of wells and holing-through rivers over the last 5 years<sup>2</sup>.

The Tenderer will have to provide the Contracting Authority with copies of the respective certificates of final acceptance signed by the concerned supervisors/contracting authority of the projects stating that the works were implemented successfully and within the deadline. However, for projects completed in the last 12 months, a copy of the provisional acceptance certificate will be considered as sufficient.

Every Tenderer will have to provide the Contracting Authority with a table enumerating all projects to be implemented within the next 15 months and to specify the value and duration of each of them.

6. Tenderer's Key Personnel Contractor's Representative/Project Manager, 6 Site Managers (for each group of the works according to clause 6), at least 10 Main Foremen (for each team as civil works, micro-tunneling, mechanical works, electrical works) and 1 Quality Control Expert must have at least 7 years of experience on relevant position and in relevant works.

At least one (1) Surveying Engineer who has at least 5 years of experience in mapping of sewer lines and preparing as-built drawings of sewer network and collector lines.

N.B : The project will require 6 groups of works according to clause 6 and at least 10 teams to work in parallel in two shifts.

7. Tenderer's Key Personnel (Contractor's Representative/Project Manager, Site Manager for each group of the works, Main Foremen for each team, Surveying Engineer and Quality Control Expert) must submit CVs and reference certificates with years of experience as required under point 6 above.

**The joint venture/consortium as a whole (all members together) and the lead member must satisfy the following minimum qualifying criteria:**

1. The joint venture/consortium must be a registered firm or natural person legally capable of carrying out the specified works.

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<sup>1</sup> Last 3 years should be understood as 2005, 2006 or 2007.

<sup>2</sup> Last five years shall be understood as the period: 01 January 2004 up to deadline for submission of tenders.

2. The joint venture/consortium must have an annual turnover for each of the last 3 years<sup>3</sup> equivalent to EUR 45 million (lead member of a joint venture/consortium must have an annual turnover for each of the last 3 years equivalent to EUR 20 million).

3. The lead member of joint venture/consortium must have access to sufficient credit and other financial facilities to cover the required cash flow for the duration of the contract. In any case, the total amount of credit available must exceed the equivalent of EUR 5 million.

4. The joint venture/consortium as a whole must carry out at least 70% of the contract works by his own resources, which means that he must have the equipment, materials, human and financial resources necessary to enable him to carry out that percentage of the contracted works. The lead member of a joint venture/consortium, must have the ability to carry out at least 50% of the contract works by his own means, as defined in Sub-clause 4 of the Instructions to Tenderers. Another member of a joint venture/consortium (i.e. not the lead member) must have the ability to carry out at least 10% of the contract works by his own means, as defined in Sub-clause 4 of the Instructions to Tenderers.

5. The joint venture/consortium must have completed at least 3 projects (each project of minimum EUR 5 million value) or one project with a minimum EUR 15 million value in the period of 15 months, comprising all necessary installation and civil works for the construction of a main sewerage network and the laying of water supply lines, construction of pumping stations, stormwater outflows, rehabilitation of wells and holing-through rivers over the last 5 years<sup>4</sup>.

The Tenderer will have to provide the Contracting Authority with copies of the respective certificates of final acceptance signed by the concerned supervisors/contracting authority of the projects stating that the works were implemented successfully and within the deadline. However, for projects completed in the last 12 months, a copy of the provisional acceptance certificate will be considered as sufficient.

Every Tenderer will have to provide the Contracting Authority with a table enumerating all projects to be implemented within the next 15 months and to specify the value and duration of each of them.

6. Tenderer's Key Personnel Contractor's Representative/Project Manager, 6 Site Manager (for each group of the works according to clause 6), at least 10 Main Foremen (for each team as civil works, micro-tunneling, mechanical works, electrical works) and 1 Quality Control Expert must have at least 7 years of experience on relevant position and in relevant works.

At least one (1) Surveying Engineer who has at least 5 years of experience in mapping of sewer lines and preparing as-built drawings of sewer network and collector lines.

N.B : The project will require 6 groups of works according to clause 6 and at least 10 teams to work in parallel in two shifts.

7. Tenderer's Key Personnel (Contractor's Representative/Project Manager, Site Manager for each group of the works, Main Foreman for each team, Surveying Engineer and Quality Control Expert) must submit CVs and reference certificates with years of experience as required under point 6 above.

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<sup>3</sup> Last 3 years should be understood as 2005, 2006 or 2007.

<sup>4</sup> Last five years shall be understood as the period: 01 January 2004 up to deadline for submission of tenders.

## 17. Award criteria

Compliance with the administrative and technical criteria and the lowest price.

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## TENDERING

### 18. How to obtain the tender dossier

The tender dossier is available from Central Finance and Contracting Agency, Ulica grada Vukovara 284 (Business center Almeria, building C), 10000 Zagreb, Croatia, upon payment of EUR 700 in favour of the Ministry of Finance of the Republic of Croatia at the Bank Account in Privredna Banka Zagreb d.d.:

**Giro account: 702000-132344-91**

**SWIFT CODE: PBZG HR 2X**

**Purpose of payment: For tender dossier**

or Croatian currency countervalue of the relevant amount due in EUR in favour of the Ministry of Finance of the Republic of Croatia, in accordance with provisions of the current Foreign Exchange Act of the Republic of Croatia, at the Bank Account in Croatian National Bank:

**Žiro - račun: 1001005-1863000160**

**Model: 64**

**Poziv na broj: 9733 – 20157 – MB (uplatitelja)**

**Svrha: uplata za natječajnu dokumentaciju**

The aforementioned payment excludes courier delivery.

The tender dossier is also available for inspection at the premises of the Contracting Authority, address as in point 5 above. Tenders must be submitted using the standard tender form included in the tender dossier, whose format and instructions must be strictly observed.

Tenderers with questions regarding this tender should send them in writing to Central Finance and Contracting Agency, Ulica grada Vukovara 284 (Business center Almeria, building C), 10000 Zagreb, Croatia, and/or [cfcu@mfin.hr](mailto:cfcu@mfin.hr), (mentioning the publication reference shown in item 1) at least 21 days before the deadline for submission of tenders given in item 19. The Contracting Authority must reply to all tenderers' questions at least 11 days before the deadline for submission of tenders. Eventual clarifications to the tender dossier will be published on the EuropeAid website at [http://ec.europa.eu/europeaid/work/procedures/index\\_en.htm](http://ec.europa.eu/europeaid/work/procedures/index_en.htm), and also on the Contracting Authority website at: <http://www.safu.hr>

### 19. Deadline for submission of tenders

12:00 local time on 02 February 2009, at the Central Finance and Contracting Agency, Ulica

grada Vukovara 284 (Business center Almeria, building C), 10000 Zagreb, Croatia, at the reception office.

Any tender received after this deadline will not be considered.

**20. Tender opening session**

14:00 local time on 02 February 2009, at the premises of the Central Finance and Contracting Agency, Ulica grada Vukovara 284 (Business center Almeria, building C), 10000 Zagreb, Croatia.

**21. Language of the procedure**

All written communications for this tender procedure and contract must be in English.

**22. Legal basis**

Council Regulation (EC) N° 1267/1999 of 21 June 1999, as last amended by Council Regulation (EC) No. 2112/2005 of 21 November 2005.



## ANNEX: EXTRACT FROM EBRD "PROCUREMENT POLICIES AND RULES"

### Eligibility

2.6 The Bank permits firms and individuals from all countries to offer goods, works and services for Bank-financed projects regardless of whether the country is a member of the Bank. Firms from developing countries as well as from the Bank's countries of operations are encouraged to participate on equal terms and thereby assist their own country's development process. Any conditions for participation shall be limited to those that are essential to ensure the firm's capability to fulfil the contract in question. Clients will not exclude a firm from open competition for a contract for reasons unrelated to its capability to perform the contract in question unless, as a matter of law or official regulation, the client's country prohibits commercial relations with the firm's country.

2.7 Consistent with international law, the proceeds of the Bank's loans, equity investment or guarantees should not be used for payment to persons or entities or for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations. Persons or entities, or suppliers offering goods and services, covered by such prohibition should therefore not be eligible for the award of Bank-financed contracts.

### Client responsibilities

2.8 Clients are responsible for implementing Bank-financed projects, including all aspects of the procurement process from the planning stage through the award of contracts, as well as the administration of the contracts themselves. The Bank may advise and assist clients in the procurement process and institutional development for specific projects but is not a party to the resulting contracts. The rights

and obligations of the client vis-à-vis tenderers for goods, works and services to be furnished for the project will be governed by the tender documents issued by the client and not by these Policies and Rules.

### Amendment to Paragraph 2.9 of the Bank's Procurement Policies and Rules

In May 2007, the Bank's Board of Directors approved amendments to paragraph 2.9 of the Bank's Procurement Policies and Rules. The amendments reflect the IFI's "Uniform Framework for Preventing and combating Fraud and Corruption" and provides a set of definitions for corrupt, fraudulent, coercive and collusive practices.

Paragraph 2.9 (page 3) in the Bank's Procurement Policies and Rules, published August 2000, is therefore obsolete (deleted in the internet version) and is replaced by the following:

### Fraud and corruption

2.9 It is the Bank's policy to require that clients (including beneficiaries of Bank loans), as well as tenderers, suppliers, contractors, concessionaires and consultants under Bank-financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts.

In pursuance of this policy, the Bank defines, for the purposes of this provision, the terms set forth below as follows:

- i) "**corrupt practice**" means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party.
- ii) "**fraudulent practice**" means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.

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

**iv) “collusive practice”** means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.

The Bank, in respect of the procurement of goods, works and services governed by Section 3, the selection of concessionaires pursuant to Paragraph 4.4, and the selection of consultants governed by Section 5:

- a) will reject a proposal for award if it determines that the supplier, contractor, concessionaire or consultant recommended for award has engaged in corrupt, fraudulent, coercive or collusive practices in competing for the contract in question;
- b) will cancel the portion of the Bank financing allocated to a contract for goods, works, services or concessions if it at any time determines that corrupt, fraudulent, coercive or collusive practices were engaged in by representatives of the client or of a beneficiary of the Bank financing during the procurement or the execution of that contract, without the client having taken timely and appropriate

action satisfactory to the Bank to remedy the situation;

- c) will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded a Bank-financed contract if it at any time determines that the firm has engaged in corrupt, fraudulent, coercive or collusive practices in competing for, or in executing, a Bank-financed contract;
- d) reserves the right, where a client or a firm has been found by a judicial process or other official enquiry to have engaged in corrupt, fraudulent, coercive or collusive practices,
  - i) to cancel all or part of the Bank financing for such client; and
  - ii) to declare that such a firm is ineligible, either indefinitely or for a stated period of time, to be awarded a Bank-financed contract; and
- e) will have the right to require that, in contracts financed by the Bank, a provision be included requiring suppliers, contractors, concessionaires and consultants to permit the Bank to inspect their accounts and records relating to the performance of the contract and to have them audited by auditors appointed by the Bank