

German Financial Cooperation with Georgia

Open Programme Extension of Transmission Network

BMZ No. 2013 66 327

Invitation for Expression of Interest

for

Consulting Services for

2nd component Ksani-Stepantsminda Transmission Line

**Georgian State Electrosystem Ltd. (“GSE”)
Tbilisi / Georgia**

April 2014

INVITATION FOR EXPRESSION OF INTEREST

1. The Project-Executing Agency (PEA, §2) hereby invites qualified independent consultants to submit a prequalification document for consulting services required (see §3.). Funds have been earmarked for this project by the German bilateral Financial Cooperation, provided through KfW development bank.

2. PEA: Georgian State Electrosystem Ltd. (GSE), 2, Baratashvili St.; Tbilisi 0105, Georgia. The Project will be managed by the Project Implementation Unit (PIU) appointed by GSE.

3. Description of the Project and the intended measures:

The Project is aimed at stabilizing Georgia's power transmission network and facilitating large scale trade of electricity power between Georgia, Russia, the other Southern Caucasus countries and the countries of the Black Sea Power Transmission Network. The Project is establishing a precondition for the development of Georgia's vast hydro power resources in that region.

The Project under consideration will extend the Georgian main 500 kV transmission system. Right now in that direction, nearby Stephantsminda (Kazbegi region) several hydropower plants are under constructing with total planned installed capacity of 400-500 MW. To integrate these capacity into Georgian network and improve power flows to and from Russia, it was decided to construct a new 500 kV OHL from Ksani SS to Stepantsminda.

At the first stage until 500 KV is fully occupied by Hydros and cross-border power flows this OHL will work on the 110 kV through existing 110 kV Kazbegi SS.

The second stage will be full occupation which itself means in addition construction of new 500 kV SS near Stepantsminda, which in future will extend 500 kV line and connection to Russia.

A companion project to facilitate the transit element is the completion of a new 500 kV connection between Georgia and Russia.

Specifically, the project will include the building and commissioning of:

- a 500 kV overhead transmission line from the 500 kV Ksani SS to the place near Russian border where new SS Stepantsminda will be located.

4. The requested services of the consultants comprise provision of expertise of engineering, design and project management services to the project executing agency/PIU to ensure delivery of the project. This will include review of the project concept, cost estimates and schedule; preparation of tender documents for international competitive tendering to select turnkey contractor for the works; preparation of tender analysis reports; assistance at contract negotiations, and works / commissioning supervision.

It is anticipated that the duration of the Consultant's assignment will be in total approx. 40 month (10-12 month for phase A plus 24-27 month for phase B). The consultant's scope of work will comprise two phases (A & B), divided into steps as defined below. The activities shall include (but not limited to):

Phase A

Step A1: Concept Review

The objective of this step is preparation of tender documents for supply and installation contract including design (turn-key); tender announcement, clarification to the tenderers.

Specific tasks in Step A1 are:

- Review the project concept, including all associated studies
- Collect all available data, information and plans concerning the existing transmission line sections and substations (diagrams, construction plans, planning documents, detailed drawings of the facilities)
- Reconstruct any additional drawings required for project implementation
- Inspect existing facilities at Ksani SS and Stepantsminda place and on the proposed line routes
- Prepare inception report to include:
 - Suggestions for changes that would enhance and improve performance of the system and/or project including but not limited to early findings and recommendations set into the EIA
 - Project schedule and detailed cost estimates
 - Condition assessment of existing overhead line equipment
 - Outline specifications for all plant and equipment for project executing agency/PIU review/approval
 - Draft conditions of contract for project executing agency/PIU review/approval
 - Draft turnkey contracts for project executing agency/PIU approval

Step A2: International Competitive Tenders

The objective of this step is to assist the project executing agency/PIU in selecting turnkey contractor(s) for the project through international competitive tendering following European procurement regulations.

Specific tasks in Step A2 are:

- Prepare detailed specifications for all plants and equipment
- Prepare all necessary drawings to ensure successful tendering
- Define and agree with the GSE and the project financiers a procurement strategy including but not limited to i) tendering procedures (i.e. type of contract form, etc), ii) timing and iii) implementation arrangement including but not limited to need for an Independent Engineer.
- Assemble all documents for tender packages including:
 - Technical Description
 - Plant/equipment Specifications (if any) and OHL
 - Project Drawings
 - Conditions of contract
 - Tender terms and conditions
- Review technical/financial proposals from bidders
- Prepare tender evaluation reports including award recommendations
- Assist project executing agency/PIU in contract negotiations

Phase B

Step B1: Contract Supervision

The objective of this step is to assist the project executing agency/PIU in ensuring that design is prepared according to best practices and international standards and that all works are carried out in accordance with contract in terms of quality and schedule.

The consultant will:

- Review and accept complete contractor's design works
- Attend factory acceptance tests (FAT) as agreed with project executing agency/PIU
- Inspect equipment deliveries to ensure compliance with specification
- Monitor the programme and quality of construction and site works
- Review all costs and contractor invoices and make recommendations on payment to the project executing agency based/PIU on contract and progress of works
- Organise and chair monthly progress meetings for contract
- Prepare quarterly progress reports and brief monthly summaries, for all major contracts
- Review observation of environmental protection regulations by contractor
- Review progress and result of training programme

Step B2: Commissioning

The objective of this step is to assist the project executing agency/PIU in ensuring that the new connections and equipment are put into operation in accordance with best practice. The consultant will:

- Review contractors' commissioning programs and make recommendations to the project executing agency/PIU
- Liaise with Georgia's control centre on necessary outages
- Witness all commissioning tests for new equipment before connection to the Georgian system
- Prepare commissioning reports to be included in monthly reports
- Assist the project-executing agency with the creation of an operation and maintenance plan
- Check and adopt as built documentation
- Prepare final report on project completion

In all of the above tasks under the word "assist" it is understood that the consultant shall have the full responsibility for the respective tasks.

5. Services are to be provided by a team comprising of international and local long-term consultants; *i.e. Project Manager, Transmission Line Engineer, Civil Engineer, Site Supervision Manager, HSE expert, Procurement Expert* with at least 10 years of experience supported by international and local short-term consultants with at least 5 years of experience *in the areas assessment and implementation of construction and modernisation of high-voltage electricity substations and other power transmission facilities* and other professional and administrative support staff. Efficient management and backstopping services shall be made available.
6. Consultants are free to associate themselves with other firms to ensure that all required know-how and experience are available to them.

7. The prequalification document in English language shall have the following structure and content and shall be presented in the same sequence as shown below:
- (i) **Covering Letter**, comprising the firm's name, address, contact person, telephone, fax and email, if applicable mention the association for this project.
 - (ii) **Presentations of firms** (maximum 10 pages), inclusive clear statements of type, property and key task of the association, if applicable.
 - (iii) **Statements and Declarations:**
 - a) Declaration of submitting a proposal in case of being short-listed;
 - b) Statement on **affiliations** of any kind with other firms which may present a conflict of interest in providing the envisaged services.
 - c) In case of an **association** – the intended contractual arrangement with international and local firms, nominating the lead consultant and including letters of intent of participating firms (in case of local partners a fax copy of such letter of intent is sufficient).
 - d) Declaration to observe the highest standard of ethics during execution of the contract. Applicants should be aware that any fraudulent or corrupt activities disqualify them immediately from participation in the selection process and will be subject to further legal investigation. The said declaration shall be submitted and duly signed according to the form and content as presented in ANNEX 1.
 - e) **Certified statement of financial capacity** of the lead consultant and all associated partners showing the necessary turnover of more than EUR 5.0 million (Balance sheet, statement of turnover or annual tax statement or profit and loss account all of the last three years). In the case of a Joint Venture the turnover of the Lead Consultant shall be at least EUR 3.0 million
 - (iv) **List of project references** carry out as ANNEX 2 (EU-Format) covering the course of the last five (5) years and strictly related to the envisaged services (*maximum 15 references*).
 - (v) **Brief CVs** on personnel proposed for backstopping and home office support. A sample of "List of available personnel structure" is given in ANNEX 3.
 - (vi) **List of available personnel structure** for the envisaged services with information about education, professional experience, regional experience, years with firm, specific project-related experience and experience in similar posts. This list shall allow a profound judgement on the consultants' general ability to provide the required personnel having the specific experience for the project in case of an offer. Personal belongs to the firm or have a long cooperation gets more points.

Interested consultants are requested to submit concise and clear, but substantial documents and to adhere to the above structure. Any surplus of information not specific to the material requested will be penalized.

Non-compliance with this invitation or faulty information shall lead to non-qualification.

8. The prequalification proposal shall be submitted in one original and one copy to Project Executing Agency at the address as follows latest by the date indicated in the advertisement. In case of differences between the documents the original version prevails.

Att. PEA / Mr. Sulkhani Zumburidze
Georgian State Electrosystem Ltd.
2, Baratashvili St.
Tbilisi 0105, Georgia

Phone: ++995 32 2 510101
Fax: ++995 32 2 983704
E-Mail: sulkhani.zumburidze@gse.com.ge

9. One copy of the prequalification proposal shall be submitted to KfW and another copy to the Tender Agent on the same date. For timely submission the submission at the Project Executing Agency shall be decisive.

KfW Development Bank
Att. Ms Julia Mohs
Palmengartenstraße 5-9
60325 Frankfurt am Main / Germany

Phone: +49 (0)69 7431-1521
Fax: + 49 (0)69 7431 66 1521
E-Mail: julia.mohs@kfw.de

INTERBUSINESS Cons.& Serv. GmbH
Att. Dieter Budecker
Friesenstrasse 2E,
61348 Bad Homburg v.d.H. / Germany

Phone: +49 (0)6172 2679142
Fax: +49 (0)6172 2679143
E-Mail: interbusinesscs@gmail.com

Each submission must include a copy of all documents for pre-qualification on CD-ROM or DVD.

10. All cost for a site visit, obtaining information/data and preparation/submission of the prequalification document, meetings, negotiations, etc. in relation with the prequalification or the subsequent proposal shall be borne by the consultants.
11. At any time, PEA/PIU either at its own initiative or in response to clarifications requested by an interested consultant may clarify this invitation. Such information shall be sent in writing by facsimile or e-mail to all parties, which have informed PEA/PIU about their participation.
12. It is planned to establish a short-list of not more than five prequalified consultants not later than four weeks after the submission date and to invite technical and financial proposals from these consultants.
13. The evaluation procedure for the prequalification process will follow the latest version of the „Guidelines for Assignment of Consultants in Financial Co-operation Projects“ (refer to homepage of KfW development bank www.kfw-entwicklungsbank.de). Only financially capable firms which have submitted the necessary statements (see § 6 iii) satisfying the set conditions will be evaluated. Specific evaluation criteria and their individual weight are presented in the following table:

Criteria	Maximum Score
1. Evidence of relevant experience gained by consultants during the past five years (<i>experience of the firm</i>)	45
1.1 Experience in handling similar projects (<i>participation in design, construction, supervision of high voltage lines equal or above 400 kV</i>).	20
1.2 Experience under various working-conditions in developing countries.	15
1.3 Experience with working-conditions in the region, preferably in the same sector.	10
2. Suitability for this specific project (<i>experience of the available experts</i>)	55
2.1 Assessment of available technical expertise specific to this project (refer to the listed key personnel)	25
2.2 Assessment of the personnel structure in regard to the tasks expected (additional personnel)	15
2.3 Assessment of the key personnel in permanent employment and always available to monitor the team and provide back-up services from the home office.	10
2.4 Form of the application documents: Are they complete, concise and related to the project?	5

14. After having completed the evaluation of the prequalification documents, a short-list consisting of five highest ranked Consultants or less scoring a minimum of 70 points will be established. Short-listed firms will be invited to submit a technical and financial proposal; firms not pre-qualified will be informed accordingly.

15. PEA/PIU is not bound to select any consultant.

16. The preparation and the submission of the prequalification document is the responsibility of the applicant and no relief or consideration can be given for errors and omissions.

17. After opening the prequalification documents until preparation of the short-list of the qualified consultants, no communication of any type shall be entertained unless called for by PEA/PIU.

Declaration of Undertaking

We underscore the importance of a free, fair and competitive contracting procedure that precludes abusive practices. In this respect we have neither offered nor granted directly or indirectly any inadmissible advantages to any public servant or other person nor accepted such advantages in connection with our bid, nor will we offer or grant or accept any such incentives or conditions in the present tendering process or, in the event that we are awarded the contract, in the subsequent execution of the contract. We also declare that no conflict of interest exists in the meaning of the kind described in the corresponding Guidelines¹.

We also underscore the importance of adhering to minimum social standards (core labour standards) in the implementation of the project. We undertake to comply with the core labour standards ratified by the country of Georgia.

We will inform our staff of their respective obligations and of their obligation to fulfil this declaration of undertaking and to obey the laws of the country of Georgia.

We also declare that our company/all members of the consortium has/have not been included in the list of sanctions of the United Nations, nor of the EU, nor of the German Government, nor in any other list of sanctions and affirm that our company/all members of the consortium will immediately inform the Client and KfW if this situation occurs at a later stage.

We acknowledge that, in the event that our company (or a member of the consortium) is added to a list of sanctions that is legally binding on the Client and/or KfW, the Client shall be entitled to exclude us/the consortium or, if the contract is awarded to our company/the consortium, to immediately cancel such contract if the statements made in the Declaration of Undertaking were objectively false or the reason for exclusion from the tender procedure occurs after the Declaration of Undertaking has been issued.

.....

(Place)

.....

(Date)

.....

(Name of company)

.....

(Signature(s))

¹ See "Guidelines for the Assignment of Consultants in Financial Cooperation with Partner Countries" and "Guidelines for Procurement of Goods, Works and associated Services in Financial Cooperation with Partner Countries"

EXPERIENCE

Please provide information contained in the table below summarizing the **major relevant projects related to this project** carried out in the course of the past **5** years by the legal entity or entities making this application. The number of references to be provided must not exceed **15** for the entire application.

Ref (maximum 15)	Project title		...						
	Name of legal entity	Country	Overall project value (EUR)	Proportion carried out by legal entity (%)	No of staff provided	Name of client	Origin of funding	Dates (start/end)	Name of partners if any
...
Description of project							Type of services provided		
...							...		

Sample of "List of available personnel structure"

(personnel having the specific experience requested for the programme in case of an offer)

Name of person	Age or Year of birth	Professional experience (years)	Employment with company (years)	Professional education/qualification and year of graduation	Position/function within company (years)	Project related experience/experience in similar posts	Regional experience	Languages
<i>Key staff 1 (add description of position)</i>								
<i>Key staff 2 (add description of position)</i>								
<i>Key staff 3 (add description of position)</i>								
<i>Key staff 4 (add description of position)</i>								
<i>Key staff 4 (add description of position)</i>								

Note: Only the Consultant's key staff and permanent professional staff as well as long-term associates shall be included in the list. The Consultant is not bound to the above format and may use his standard staff lists. However, the information provided should at least include the items specified above.