PUBLIC INVITATION
FOR IMPLEMENTATION OF PPP PROJECT
Renewal, expansion, operation, maintenance and delivery of heat to the District Heating System in the Municipality Sokolac with installed biomass cogeneration plant

I PUBLIC PARTNER

I.1) PUBLIC PARTNER NAME, ADDRESS AND CONTACT

| Name: Municipality Sokolac |
| Address: Glasinačka 13 |
| City: Sokolac | Zip code: 71 350 | Public partner registration number:1035576 |
| Telephone: +387 (0) 57 448 712 | Fax: +387 (0) 57 448 056 | E-mail: opstinasokolac@gmail.com |
| Internet address (if any): [http://www.opstinasokolac.net/](http://www.opstinasokolac.net/) |
| Name of contact person: Mitar Pržulj, BSc (Econ) |
| Mayor of the Department for Economy and Finance |
| Telephone: +387 (0) 66 271 572 | Fax: +387 (0) 57 448 056 | E-mail: mitar.przulj@opstinasokolac.net |
| Additional information can be obtained from above stated contact person. |

Tender documentation, specifications and additional documents (including all documents for competitive dialogue) can be obtained from above stated contact person.

Requests for participation are submitted to above stated contact person in accordance with this public invitation and tender documentation.

I.2) TYPE OF PUBLIC PARTNER AND PREVAILING ACTIVITY

- [ ] Ministry
- [ ] Public institution (established by the Government)
- [ ] State-owned company (majority owned by the Republic)
- [x] Local self-governance unit
- [ ] Public institution (established by a local self-governance unit)
- [ ] State-owned companies (majority owned by local self-governance units)
- [ ] Other (specify): ___________________________

- [ ] Transport
- [ ] Information communication
- [ ] Healthcare
- [ ] Innovations entrepreneurship
- [ ] Housing and utility services
- [ ] Culture
- [ ] Education
- [ ] Sport
- [ ] Ecological and solid waste management
- [x] Other (specify): Public Authority
II SUBJECT OF AGREEMENT

II.1) DESCRIPTION

II.1.1) Name of project:

Renewal, expansion, operation, maintenance and delivery of heat to the District Heating System in the Municipality Sokolac with installation of biomass cogeneration plant.

II.1.2) Description of PPP’s subject:

Designing, renewal/reconstruction, construction, organization, operation, putting into operation, production of electricity and heat in the Plant and delivery of heat to the District Heating System in Sokolac, pursuant to the PPP model through the method of Designing, constructing, financing, managing, maintaining and returning in terms of creation of the complete project documentation, obtaining of all necessary permits, reconstruction and construction of the Plant and District Heating System, putting into operation and provision of agreed services for the term of the Agreement.

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<thead>
<tr>
<th>(a) Works</th>
<th>(b) Goods</th>
<th>(v) Services</th>
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<tbody>
<tr>
<td>Main location:</td>
<td>Place of delivery:</td>
<td>Place of service providing:</td>
</tr>
<tr>
<td>Municipality Sokolac, Republika Srpska, Bosnia &amp; Herzegovina</td>
<td>_____________________</td>
<td>Municipality Sokolac, Republika Srpska, Bosnia &amp; Herzegovina</td>
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</table>

II.1) AGREEMENT PURPOSE OR QUANTITY

II.2.1) Total quantity or objective

Purpose of Agreement is financing and implementation of Reconstruction, extension, operation and maintenance of district heating network in order to achieve a sustainable district heating system and its expansion to the remaining parts of Municipality Sokolac urban area and some suburban neighborhoods based on the public private partnership principle pursuant to the Law on Public Private Partnership and other regulations existing in B&H and RS and, in relation to that, improvement of heating quality with increased energy efficiency and prevention of high level pollution. In the Feasibility study, installation of biomass cogeneration plant with Organic Rankin cycle technology for energy production is analyzed with electricity production capacity of 1 MW and heat capacity of 4.1 MW.

The study provides distribution of electricity into the electricity network per feed in tariff of 241.3 KM/MWh. Reconstruction means construction of a network with a primary and secondary circle i.e., with separate hot water pipeline and warm water pipeline. At the same time, the network would be expanded into the entire urban area and some suburban areas. The total heated area after expansion would be 131,592 m², and total heating needs of consumers 27,479 MWh annually for the reference number of degree-days. The preliminary design provides for installation of 28 heat substations with total capacity of 15,690 kW. Substations and pipelines are created in such a way that they allow subsequent attachment of all constructed facilities within reach of the network.
The financial analysis provides that capital investments are realized during the period of 4 years with approximately total amount of 15.2 million BAM.

Net present value: 4.3 million of BAM for the reference period of 15 years.

II.2) TERM OF AGREEMENT

Agreement Parties agree that Agreement shall have a term of 17 (seventeen) years in periods as defined in the Agreement on PPP (Implementation Period – maximum two years and Heat Supply Period – 15 years), where the period of Agreement’s terms commences on the day of Agreement execution by both Agreement Parties. Agreement can be extended for 5 years, which is subject to fulfilling certain conditions as defined in the Agreement.

III LEGAL, ECONOMIC AND FINANCIAL AND TECHNICAL INFORMATION

III.1) REQUIREMENTS REGARDING AGREEMENT

III.1.1) Bid guarantee

Bidders who are invited to submit their final offers shall have to submit bid guarantee in a form of a bank guarantee for the amount of BAM 30,000.00.

Agreement performance guarantee

Public partner shall request the performance guarantee in the amount equal to the 5% of the estimated capital cost of the Project.

III.2) PARTICIPATION REQUIREMENTS FOR PRIVATE PARTNER SELECTION

All domestic and foreign person who are interested may submit Request for participation. In case that private partner intends to submit offer as consortium, one member of consortium needs to be nominated as leading member by submitting of Power of Attorney signed by authorized person of each member of consortium. Every potential Private Partner needs to fulfil below stated conditions and to submit relevant proofs regarding:

- Personal situation of Private Partner;
- Capability to perform professional activity;
- Economical and financial capacities;
- Technical and professional capacities;

If private partner is consortium, then members of consortium submit documents which proves fulfilment of conditions under III 2.1) i III 2.2. separately. Therefore members of consortium may submit one package of documents under III.2.3) и III.2.4) hereof and documents and statements (if any) in connection to the subject of public procurement.
III.2.1) Personal situation of the private partner:

1. certificate by competent court or administrative body of registration of the private partner, to certify that they are not bankrupt or undergoing bankruptcy proceedings, not undergoing liquidation proceedings, or not undergoing the procedure of suspension of business activity;
2. certificate by a court to prove that no final verdict was made in a criminal proceedings convicting them for an act of participation in a criminal organization, corruption, fraud or money laundering;

Documentation under 1 and 2 of point III.2.1) may not be older than three months, counting from the date of issuance of certificate until the deadline for submitting of request for participation. The requested evidence must be in the form of original or certified copy.

3. certificates by responsible institutions that the private partner has settled the mature liabilities arising from payment of direct and indirect taxes;
4. certificates by responsible institutions to confirm that the private partner has settled the mature liabilities arising from contributions for pension and disability insurance and health insurance.

Documentation under 3 and 4 of point III.2.1) may not be older than three months, counting from the date obligations have been settled until the deadline for submitting of request for participation. The requested evidence must be in the form of original or certified copy.

III.2.2) Evidence of capability to perform professional activity:

Capability to perform professional activity is proved by submitting of Excerpt from the “court register” or, if this is not possible, a proof on registration with the appropriate professional or other registers in the country of registration, or a special statement or certificate by a competent authority proving private partners right to perform a professional activity in connection with the subject of procurement. Must be original or a certified copy for each submitted document.

III.2.3) Economic and financial capacities (evidence of fulfilment):

1. Average annual turnover amounting at least 10 millions EUR for period of 36 months ending on the date of the balance sheet in recent audited financial statements or from the date of registration and commencement of business activities.

Potential bidder proves it by submitting audited financial statement for previous three accounting periods or from the date of registration and commencement of business activities, all in accordance with IFRS that is in force for a given accounting period.

In the event that a potential bidder does not submit its financial statements in accordance with the aforementioned accounting standards, potential Bidder will convert the necessary data using an algorithm for conversion to IFRS, which algorithm will also be presented, and thus processed data will be verified by an auditor.

Balance sheet in any other currency except the euro will be converted into euro using the exchange rate of the Central Bank of Bosnia and Herzegovina on the last day of the accounting period for which submitted such financial information and income statement will be converted by using the average annual exchange rate of Central Bank of Bosnia and Herzegovina for the accounting period for which data has been submitted.

2. Appropriate bank letters, or when appropriate, a proof on existence of appropriate professional risk insurance and client’s recommendations, as proof that potential bidder fulfills his financial obligations toward his business partners and creditors.
III.2.4) Technical capacities (evidence of fulfilment):

1. Successful experience in implementation of at least one project of construction and/or reconstruction of heating production and distribution plant of minimum 5MW thermal capacity in the past five (5) years or from the date of registration and commencement of business activities, if the potential bidder registered and began his business activities less than five (5) years ago.

Potential bidder submits, as proof for conditions under 1 in point III.2.4), list of implemented projects on construction and/or reconstruction of heat production and distribution plant in the past five (5) years, or from the date of registration and commencement of business activities, if the potential bidder is registered and began performing his registered activities less than five (5) years ago, with total value amounts, dates and purchasers and documents in the form of certificates issued by purchasers with short description of implemented projects. Such certificate must hold the following: name and seat of office of contracting parties or economic persons, subject of contracts, time and place of contract implementation, statements on proper performance of contracts, minimum the period of implementation, contract value and the power of the system.

In case that such certificate due to objective reasons cannot be received by the contracting party that is not potential bidder, a statement by the potential bidder on proper performance of contracts is sufficient accompanied by proofs of attempts to ensure such certificates.

2. Successful experience in implementation of at least one project that includes maintenance and management of district heating system and heat supply for the period of minimum two years in the last three years;

Potential bidder submits, as proof for conditions under 2 in point III.2.4), list of implemented projects that include maintenance and management of district heating system and heat supply in the past three (3) years, with information on the size and structure of consumers, with submission of a certificate on implementation that issues the other agreement party. The certificate must contain the following: name and seat of office of contracting parties or economic persons, subject of contracts, contract value, time and place of contract implementation, statements on proper performance of contracts.

In case that such certificate due to objective reasons cannot be received by the contracting party that is not potential bidder, a statement by the potential bidder on proper performance of contracts is sufficient accompanied by proofs of attempts to ensure such certificates.

3. Potential bidder has experience in providing project financing to long-term infrastructure projects (at least 5 years) from 2011 up to date or from the date of registration and commencement of business activities, while the amount of financing for the project for which references are submitted must amount at least 8 milion EUR (eight million EUR) in total.

Potential bidder provides, as proof for conditions under 3 in point III.2.4), the following information:
- name of the subject/s of financing, name, phone number and email address of a contact person who will provide additional information if Commission for evaluation of offer and/or public partner has certain question/s
- total amount of financing of project in EUR
- date of agreement conclusion.

4. Potential bidder employs at least the following technical persons with minimum five (5) years of work experience in same or similar projects:
   1. 3 mechanical engineers (master degree or equivalent);
   2. 2 electrical engineers (master degree or equivalent);
   3. 1 construction engineer (master degree or equivalent);

Potential bidder submits, as proof for conditions under 4 in point III.2.4), educational and professional qualification of service suppliers and/or qualifications of his management, especially qualifications of persons responsible for provision of specific services and biographies of proposed Potential Bidder’s technical employees demonstrating relevant work experience.

Documents stated under points III.2.3) and III.2.4) are submitted as original or a certified copy.

Additional information regarding conditions and documentation which need to be submitted, is stated in tender documentation, which can be provided by contact person.

### IV PROCEDURE METHOD

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**IV.1.1) Limitations regarding number of participants to be invited to submit initial offers:**
All private partners that fulfil minimum requirements i.e., qualification criteria defined by public partner, are invited to submit their initial offers.

In case that public partner invites more than 4 qualified private partners to submit their initial offers, if receiving more than 4 (four) initial offers, such initial offers will be evaluated and ranked pursuant to the criteria defined by tender documentation. Public partner will invite 4 (four) bidders with the highest score to participate in the dialogue. If the number of qualified private partners that fulfill minimum requirements is 4 (four) or less, public partner shall invite all qualified private partners to submit their initial offers and to participate in dialogue.

If the number of qualified private partners that fulfill minimum requirements is less than three (3) and does not provide for real competitiveness in agreement award process, the agreement award process is annulled.

**IV.1.2) Reduction of number of participants by phase of competitive dialogue:**

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**IV.2) Criteria for selection of private partner**
( the highest scored offer)

Criteria:

1. Offered tariff (for delivered heat and the necessary capacities) 60%
2. Cogeneration plant energy efficiency for the defined biomass quality 20%
3. Invoice payment deadline 10%
4. Loss of heat in the primary part of the District Heating System  5%
5. Accounting period (7 or 12 months)  5%

V DEADLINE

V.1) Deadline for receipt of applications for participation  08/07/2016 12:00 pm (local, CET)

VI ADDITIONAL INFORMATION

Tender documentation is prepared in two phases (phase I – Request for participation, phase II – Invitation for submitting of offers).

Potential bidders need to complete Request for participation in accordance with tender documentation in order to participate in procedure based on this public invitation. Upon request submitted to contact person and after payment of amount 1,000.00 BAM, to account NLB Razvojna Banka, 562-001-00000015-13, JRT Opština Sokolac, public partner shall deliver to all potential bidders tender documentation or tender documentation will be taken in the registered seat of public partner depending which option is more convenient for potential bidder. These options are agreed with contact person of public partner.

Tender documentation is available from the date of announcement of this public invitation until deadline for submission of the Request for participation i.e., 8th July 2016 until 12:00 p.m.

Request for participation should be sealed in a no transparent envelope with name and address of the private partner and with the following indication: “Request for participation in procedure of competitive dialogue for procurement of heating services for a District Heating System in Municipality Sokolac with its renewal, expansion, operation and maintenance with installed biomass cogeneration plant”.

Request for participation should include all documents stated in this public invitation for PPP project implementation and in tender documentation, in the manner and in form provided in the tender documentation. All documents should be numbered, signed and sorted in accordance with the tender documentation with clear indication of content. All sheets of the bid (except guarantee documents) must be tightly bound, containing page numbers and to be initialled or signed by persons authorized to represent of applicant.