**Darchi HPP -   
BID-DAR-003-2021**

**Tender Rules of Darchi Project, Svaneti, Georgia – Steel Works**

Consisting of:

Instructions to the Tenderers

Terms of Reference - Annex 1

Non-Disclosure Agreement - Annex 2

Tender Guarantee Form – Annex 3

Date: 05 January 2021

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# INTRODUCTION

Darchi LLC (referred to as the “CLIENT”) is inviting qualified Companies to participate in Tender and requires to prepare technical and commercial proposal (hereinafter referred to as “BID”) from the tender participant (hereinafter referred to as “TENDERER”) for the Steel Works for Darchi Hydro Power Plant – Georgia Project.

# GENERAL TERMS AND CONDITIONS

* 1. The CLIENT reserves the right to reject or accept any proposal. The CLIENT reserves the right to proceed with the implementation of any work, in whole or in part, as described in the proposals.
  2. The CLIENT will be the sole judge to reject or accept any BID. As such, any BID deemed incomplete, unsatisfactory, or failing to comply with the requirements or format may be rejected by the CLIENT.
  3. The CLIENT reserves the right to engage in discussions with any TENDERER to clarify responses or discuss certain elements with regards to the proposal or services requested. The CLIENT has no obligation to notify the other TENDERERs of the discussions, clarifications, or other information provided by a TENDERER.
  4. The CLIENT reserves the right to award the proposal based on experience, completion date, guarantee of service, and other criteria, and not necessarily the lowest cost.
  5. Based on available funds, the CLIENT reserves the right to delete components from the Tender and negotiate changes to fully meet the CLIENT’s needs.
  6. The issuance of this Tender or any negotiations with a company after the closing date does not bind or commit the CLIENT to enter into any contract.
  7. The CLIENT reserves the right in the event the successful TENDERER fails to comply with the terms and conditions as listed, to cancel this contract and award it to another TENDERER without penalty or action against the CLIENT. The tender does not constitute an agreement or order. Submission of a proposal or response by a proponent is voluntary.
  8. By submitting a BID, the TENDERER is deemed to have acknowledged all of the undertakings, specifications, terms and conditions contained in the tender, and to be bound by them if the BID is accepted. All expenses incurred by the TENDERER in connection with the preparation of its proposal are to be borne by the TENDERER, and the CLIENT shall not incur any obligation whatsoever toward the TENDERER regardless of whether such BID is accepted or rejected.
  9. An authorized signing officer must sign all BIDs. The BID must indicate an individual who is authorized to negotiate and sign on behalf of the proponent if other than the signature found on the proposal submission.
  10. All submissions are to be prefaced with a covering letter, on company letterhead, which contains an original signature of the individual authorized to submit proposals on their behalf.
  11. CLIENT retains the right to visit TENDERER facilities during TENDER to examine facilities.

# INSTRUCTIONS TO TENDERER

* 1. TENDERER must submit a written acknowledgement of the receipt of this tender package with the signed/stamped NDA within 10 business days following issuance of this tender by the CLIENT. Acknowledgement must be sent electronically to CLIENT’s representative identified in section 4.1 below.
  2. BID must be submitted in line with the instructions provided within this tender package.
  3. Proposals are to be uploaded on tenders.ge website as per instruction of the web portal.
  4. Timetable for the Tender Process is as follows:

|  |  |  |
| --- | --- | --- |
| **Tender Process Stages** | **DATE** | **Note** |
| **Submission of Confirmed NDA, and payment order for Tender Documentation Fee** |  | Within 10 working days after Tender Announcement Date |
| **Clarification Interviews** |  |  |
| **Site visit** |  |  |
| **Deadline for request for any additional information from the CLIENT** |  | Not later than 15 working days before Tender Submission Deadline |
| **Last date on which additional information are issued by the CLIENT** |  | Not later than 10 working days before Tender Submission Deadline |
| **Deadline for Submission of Tenders** | 10 February 2021 |  |
| **Evaluation Process**  **and Clarification Interviews with TENDERERs** |  | 10-15 Working days after Submission Deadline Date |
| **Notification of award to the successful TENDERER** |  | 15-17 Working days after Submission Deadline Date |
| **Signature of the contract** | 01 March 2021 |  |

* 1. The TENDERER is strongly advised to visit and inspect the site of the works and its surroundings for the purpose of assessing, at its own responsibility, expense and risk, the factors necessary for preparing its tender and signing the contract for the works (date, time and place.)
  2. A clarification meeting and/or a site visit will be held by the CLIENT (date, time and place,). The CLIENT will neither be responsible for, nor cover, any expenses or losses incurred by the TENDERER through site visits and inspections or any other aspect of its tender.
  3. Tender BID must remain valid for a period of 90 days after the deadline for submitting tenders.

# COMMUNICATION AND ENQUIRIES, TENDER FULL DOCUMENTATION, TENDER FEE AND GUARANTEE

* 1. All enquires and communication regarding this tender (including notifications of any discrepancies or errors or omissions to be submitted in electronically, no later than 10 business days prior to the Submission Deadline to: dbichelashvili@grpc.ge. Otherwise the CLIENT reserves the right not to respond to enquiries. Responses by the CLIENT to enquiries will be made in writing and distributed by email to all proponents registered as having received the tender as of the date the response is required by the CLIENT. The CLIENT will not identify the source of the question(s) in the response. Verbal communicated information shall not be binding upon the CLIENT. Enquiries after the foregoing deadline will not receive a response.

Contact Details:

*For Issues related to Procurement or Tender Process Contact*

|  |
| --- |
| Diana Bichelashvili |
| Procurement Department |
| mailto: [dbichelashvili@grpc.ge](mailto:dbichelashvili@grpc.ge) |

*For Technical Issues*

Levan Asatiani

Technical Department

mailto: [lasatiani@grpc.ge](mailto:lasatiani@grpc.ge)

*Note: In all correspondence Director of Darchi, Ioseb Natroshivili shall be in cc.* [*jnatroshvili@grpc.ge*](mailto:jnatroshvili@grpc.ge)

**Tender Fee and Tender Guarantee Terms**

The TENDERER must provide, as a part of its tender, a tender guarantee in the form set out in acceptable to the CLIENT that meets the essential requirements set out therein. The tender guarantee must be for an amount of 1 (one) percent of the BID total price. The Guarantee must be provided together with BID submitted by the TENDERER.

It may be provided in the form of a bank guarantee, or insurance guarantee made out to the CLIENT. The tender guarantee must remain valid for 90 (ninety) days beyond the period of validity of the tender, including any extensions, and be issued to the contracting authority for the requisite amount. The tender guarantees of unsuccessful TENDERERs will be returned together with the information notification that the TENDERER has been unsuccessful.

The tender guarantee of the successful TENDERER will be returned when the TENDERER has signed the contract and provided the requisite performance guarantee.

The TENDERER shall provide Payment Order for Tender Full Documentation. Tender Fee shall comprise of 1,000 (one thousand) GEL. The paid amount shall not be refunded to unsuccessful Tender Participants.

Full Tender Package consists of the following documents:

**1st Part**

* Tender Rules;
* Terms of Reference;
* Non-Disclosure Agreement;
* Tender Guarantee Form (to be submitted with the BID)

**2nd Part** (provided by the CLIENT after submission of Payment Order and signed NDA)

* Technical Specifications;
* BOQ;
* Drawings;
* Work Schedule (brief);
* ESAP requirements (Environmental, Health and Safety, Labour Conduct and Grievance Policy);
* Contract Template;

# FORMAT OF THE BID

The BID submitted by the TENDERER must be structured as per the below provided instructions:

1. Executive Summary;
2. Qualifications and Experience:
   1. TENDERER’s Background – General information about the company;
   2. Relevant Project Experience – minimum three project descriptions (including location, client name) in relevance to current project within the last five years;
   3. References – minimum three references including company name, contact address, phone number and email addresses;
   4. Proposed sub–contractors including company name, description of proposed role, and summary of qualifications.
3. Technical proposal outlining scope of work/supply (include detailed descriptions of scope of supply, specifications, deliverables, exclusions, conditions, stipulations and assumptions);
4. Project Management and Communication – description of organization assigned to the project execution, number of people, roles and responsibilities and communication means, CV’s of the key personnel (upon request);
5. Implementation Schedule based on the completion dates/work programme defined by CLIENT;
6. Warranty Terms and Conditions;
7. Sub-contracting List and Works;
8. Commercial Proposal outlining TENDERER’s rates and prices for the performance of SCOPE OF WORKS of this tender package. Detailed financing schedule;
9. List of exclusions and deviations of proposal compared with Tender Specifications;
10. The tender Guarantee.

# SCOPE OF WORKS

* 1. Scope of this tender package considered in TOR is Steel Works hereinafter referred to as “SCOPE OF WORK / SUPPLY”). DETAILED SCOPE OF Works is defined in attached **TERMS OF REFERENCE (TOR) ANNEX 1.**

# IMPLEMENTATION SCHEDULE

* 1. Project Implementation Schedule and sequence plan shall be provided as ANNEX to the Tender Package. The Work Programme should include:

Detailed time schedule, breakdown according to the principle of supply / work envisaged in the BOQ, showing the sequence of the tasks, timing and interdependencies of the works execution, indicating progression, durations and succession.

# OTHER INFORMATION REQUIREMENTS

* 1. TENDERER must submit product data sheets and applicable certificates for all material (upon request) intended to be used during works.
  2. List of Technique / Machinery (to be used during the Works): Stone Crusher, Concrete batching plant, ,

Excavators, Cranes and lifting equipment (upon necessity), etc

The TENDERER must indicate whether this equipment is owned, hired or used by a subcontractor. Manufacturer’s documents fully describing the equipment must be submitted with the list of materials and any supplies intended for use in the works, stating their origin;

* a work plan with brief descriptions of the main tasks, showing the sequence and proposed timetable for implementing the tasks. In particular, the proposal must detail the temporary and permanent works to be constructed. The TENDERER must take account of weather conditions and to prepare relevant technical reports/designs prior to carrying out construction works. The TENDERER must also submit a comprehensive method statement, with drawings if necessary, showing the methods by which it proposes to carry out the works. In particular, the TENDERER must indicate the numbers, types and capacities of the plant and staff it proposes to use on the main areas of work;
* a critical milestone bar chart showing times and duties allocated for employees for this contract data on subcontractors and the percentage of works to be subcontracted;
* evidence of relevant experience in carrying out works of a similar nature, including the nature and value of the contracts. The evidence must include successful experience as the prime contractor in the similar works of at least 3 projects of the same nature and complexity comparable to the works concerned by the tender during the last five years;
* information regarding the proposed main site office;
* an outline of the quality assurance system(s) to be used
* if applicable, information on TENDERERs involved in a joint venture
* details of their litigation history over the last 5 years;
* details of the accommodation and facilities to be provided for the Supervisor;
* any other information

**Note:** The CLIENT reserves the right to ask for copies of certificates of final acceptance signed by the supervisors/contracting authority of the projects concerned.

# WARRANTY / GUARANTEE

The TENDERER guarantees that the Work will be of good quality and that it complies with the requirements of the TENDER, including the specifications which will be agreed between the parties in the signed Contract. The TENDERER guarantees that the proposed materials and equipment will be brand new and spare parts will be available for the guarantee time (if requested by the Scope). The TENDERER is responsible for Works and Equipment delivered by sub-contractor as for his own delivery.

If during the guarantee time any defect is found in the works, materials and equipment TENDERER shall promptly repair/remedy/replace such defects, on its own cost. For the repaired/remedied/replaced defect a new guarantee time will be running as agreed upon for the original works/parts.

# SUBCONTRACTING

The TENDERER must specify a sub-contractor and the details of all the sub-contracts it proposes to enter into with each of the sub-contractor. The sub-contractor(s) are expected to meet the same standards and quality of work as those required from the TENDERER. The TENDERER shall be held responsible for all aspects of work carried out by the sub-contractor(s). The CLIENT has the right to accept or reject any or all sub-contractors, and this acceptance of any sub-contractors shall not relieve the TENDERER of the responsibilities.

Subcontractors, must comply with experience criteria and with QMS criteria defined for the TENDERERS, for the part of which they are concerned.

# COMMERCIAL PROPOSAL

Currency to be indicated in the price proposal is GEL or USD. TENDERER’s commercial proposal shall represent the full and final compensation for the SCOPE OF WORKS and the requirements outlined in this tender package and shall include the following elements:

Detailed commercial proposal should be filled in the presented in BOQ (ANNEX of the Tender Documentation).

**Pricing** for works/supplies in tender documents shall be fixed for the contract schedule. For potential delays, price adjustment terms shall be specified (upwards or downwards) in the BOQ and contract. All price alteration and adjustment possibilities shall be defined by the TENDERER beforehand.

**Ancillary works and services to be included in the unit prices (without additional compensation)**

All unit prices include all costs for personal and materials, which are required to deliver a turn -key project. In particular, the following must be included:

* Site overhead (if not otherwise stated);
* Effective safeguards of the entire construction site to avoid accidents (if not otherwise stated);
* Effective protection of materials against theft;
* Prices are valid for works and services without any difference of levels, heights and depth for the entire construction site (if not otherwise stated);
* Effective preservation measures against wind, rain, snow, frost, etc. In case damages occur even if the Contractor had foreseen preservation measures, the Contractor is obliged to remove barriers that hinders the continuation of works and repair damages without any additional compensation;
* All unit prices for the offered works and services must include all required materials, delivery, installation, fixing materials, testing, cutoffs and broken materials (if not otherwise stated);
* Participation of job meetings;
* Maintaining the construction site logbook (upon request);
* Difficulties due to weather conditions (snow, wind, rain, ice, etc.);
* Difficulties due to the delivery the works and services in sections (to maintain the facilities/institutions operation);
* Certificates for materials;
* Requested samples and testing of materials and installation procedures;
* All required documents, calculations and measurements for invoicing;
* Documents which are required for the authorities (certificates, attests, documents, etc.) (if not otherwise stated).

The Payment Schedule for the WORKS shall be as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Percentage** | **Description** | **Frequency/Timing** |
| 1. | 10% | Advance Payment | After conclusion of the Contract against the pre-finance Bank Guarantee. The Guarantee shall remain effective until the prepayment amount is completely repaid by the Contractor. |
| 2. | 85% | Interim Payments | Interim payments for the total scope of the Contract shall be made monthly based on scope of complete works by the contractor and accepted by the site Supervisor and the CLIENT.  The frequency of the interim payment shall be maximum once per each calendar month.  During the interim payments deduction of pre-financing amount shall be made proportionally against the relevant invoices.  Interim amounts shall be fixed in the Interim Acts of Acceptances, based on actually performed works signed and approved mutually. |
| Last | 5% | Retention Amount | Retention amount will be transferred within 60 calendar days of the issuing of the signed final Act of Acceptance.  Retention amount shall constitute 5% of the total value of the Act of provisional acceptance based on actually performed works signed and approved mutually. |

# VALUE ADDED SERVICES:

TENDERER may include in this section such elements as added warranty, design options, considerations for further cost optimization and savings. Alternative specifications to the tender may be considered if it’s in the CLIENT’s best interest.

TENDERER is requested to list any proposed value-added services and identify the benefits to the CLIENT (including cost savings).

# EVALUATION CRITERIA

The following table summarizes the main criteria valid for this tender and the weight given to each:

Note: According to the tender documents, any supplier may give more than one proposal, i.e., give alternatives to their proposal. In these cases, each alternative will be evaluated as if it would be a separate proposal.

13.1 – Price

Price will be evaluated according to the comparison of the prices proposed.

13.2 – Time of execution

Work Schedule shall comply to the Time Schedule provided by the CLIENT

13.3 – Technical characteristics

The evaluation of these criteria will be based on provided information and further clarifications with Project Team members prior final decision.

13.4 – Experience, References

General experience under contracts in the role of contractor, subcontractor, or management contractor for at least the last five (5) years in the relevant field. The similarity shall be based on the physical size, complexity, methods/technology or other characteristics as described in current ToR.

13.5 – Eligibility, EHS and Labor Code of Conduct criteria,

No-conflicts of interests; Historical Contract non-performance criteria and pending litigation.

Compliance to Environment, Health & Safety, Labour Code of Conduct as defined in the Provided documentation.

13.6 In order to be eligible for the award of the contract, TENDERERs must provide evidence that they meet the selection criteria.

* If a tender is submitted by a consortium, unless specified, the selection criteria will be applied to the consortium as a whole.
* The provision of financial annual statements, period for financial capacity shall cover the last 5 years.
* Professional and Technical Capacity and in order to verify the corresponding selection criteria,

The CLIENT may request one or more of the following:

(a) information on the educational and professional qualifications, skills, experience and expertise of the persons responsible for performance and relevant licenses

(b) a list of the works carried out in the last five years, accompanied by reference list for the major works.

(c) a statement of the technical equipment, tools or the plant available to the TENDERER for performing the works;

(d) a reference to the technicians available especially those responsible for quality control and EHS regulation compliance;

(e) a statement of the average annual manpower and the number of managerial staff of company for the last three years;

(f) all its key staff must be certified for appropriate works according to national law, as well as at least 3 years’ appropriate experience, relevant to works of a similar nature to this project.

**Professional capacity of the Tender Participant**:

The objective of this criterion is to examine whether or not the TENDERER:

has sufficient on-going staff resources, with relevant expertise and experience to take on the works; is not a tender candidate with no real expertise in the same fields, and only proposes contracted experts or sub-contracted company to comply to the project description.

# EVALUATION PROCESS

An evaluation team will be assigned to evaluate the proposals. The BIDs will be evaluated on each of the evaluation criteria as outlined above, including but not necessarily limited to: qualifications and experience performing similar work, proposed scope of work and methodology, ability to meet project deadlines, and fees. Based on this review, TENDERERs may be selected for personal interviews if required by the CLIENT, at the TENDERER’s own expense. An award recommendation by the evaluation committee will be based on merit, relying on the information presented in the proposal and presented to the CLIENT.

# ADDENDUM

* 1. In the event the CLIENT is required to issue notifications of changes or corrections to the tender package, such addendums shall be emailed. Each addendum shall contain a notification which requires the TENDERER to sign and include each addendum with the BID. It is mandatory that the CLIENT receives confirmation (email) that the TENDERER has indeed received the addendum. Failure to comply with the instructions on an addendum may result in rejection of the BID. Each modification published will constitute a part of the tender documents and will be published on the website: www. tenders.ge.
  2. The CLIENT may extend the deadline for submitting tenders to give tenderers sufficient time to take modifications into account when preparing their tenders

# SAFETY REGULATIONS

TENDERER must confirm within the BID its agreement for all of TENDERER’S workforce and sub-contractors to participate and comply with the CLIENT’s on-site safety orientation and requirements and all legal regulations of Georgia as applicable during erection and commissioning. The contracted TENDERER is obliged to provide his employees and meet with the Health and Safety corresponding standards and norms, the Supplier will assume responsibility to instruct, train and equip with safety units and techniques the personal during operation on site. In case the Contractor or the employees will breach the mentioned rules, the responsibility fully lies with the Contractor.

# INSPECTION OF WORK QC AND SUPERVISING, DEFECTS LIABILITY

17.1 The CLIENT shall have right to inspect the quality and progress of Work at any time at its discretion, to change the scope of Work and to give mandatory instructions to the Contractor; appoint the supervisor (the “Supervisor”) and to delegate any and all rights and duties of the CLIENT, including, but not limited to the right to give the Contractor any verbal and/or written instructions related to Works, while remedying the shortcomings and defects and/or during the Warranty Period.

17.2 The CLIENT or its authorized representative will have the right of inspection of the Delivery while in any stage of engineering, manufacturing or execution. The TENDERER agrees to secure this right of inspection for the CLIENT from any subcontractor or supplier with whom the TENDERER contracts to engineer, manufacture or execute any part of the Works/Equipment.

17.3 The CLIENT or its authorized representative will have the power to reject any work performed or being performed that does not conform to the preliminary agreed quality and specification, whereupon the work rejected will be redone at no additional cost to the CLIENT. The TENDERER will be responsible for all costs of the CLIENT’S additional inspections regarding Works/Materials and/or Equipment that has failed previous inspections.

17.4 The defects liability period shall be defined as the period commencing on the date of provisional acceptance, during which the contractor is required to make elimination of any defects occurred during this period as notify by the supervisor or the CLIENT. The rights and obligations of the parties with regard to this defects liability period laid down in the Contract.

17.5 The Contractor shall assign a Project Manager, available during the construction period. The Project Manager shall participate in work meeting coordinated by the CLIENT /Site Supervisor.

The purpose of the job meeting shall be to assure proper coordination, determine construction progress, monitor progress and update the implementation schedule, review requisitions and change orders, expedite completion of the project in accordance with the contract documents and review other relevant items.

# ENGINEERING and DOCUMENTATION

All drawings, models and other technical documents produced shall be the property of the CLIENT, and shall not without the consent of the CLIENT be used, reproduced or made available to third parties beyond what is necessary in respect of the fulfilment of the Project.

The Detailed list of Documentation to be agreed between the TENDERER and the CLIENT before the Contract signature.

The TENDERER shall, in accordance with the proposed Time Schedule, submit the Engineering documentation electronically in its original or AutaCad and PDF formats to the Buyer for review. The CLIENT shall submit his acceptance/disapproval comments in writing. The CLIENT shall correct the Engineering documentation and resubmit them within the prior agreed days for acceptance.

Notwithstanding approval by the CLIENT of Engineering documentation submitted by the contracted TENDERER, this does not relieve the TENDERER from any of his obligations under the Contract and the CONTRACTOR shall be responsible for errors, omissions or discrepancies in such Engineering documentation.

# CONFIDENTIALITY

All documents, specifications, plans, drawings and attachments of this BID Package are the property of the CLIENT. TENDERERS are not allowed to pass/transmit/distribute these to any third parties or use these for any purpose except for preparation of this BID.

All documents issued and information given to the TENDERER shall be treated as confidential and both the CLIENT and the TENDERERS are responsible for this confidentiality.

# PERFORMANCE GUARANTEE, WARRANTY BOND and INDUSTRY SPECIFIC BUSINESS INSURANCE

* **Performance Guarantee**

20.1. The TENDERER shall, together with countersigned contract, provide a guarantee for the full and proper performance of the contract. The amount of the guarantee shall be in the range of 10% of the amount of the contract price including any amounts stipulated in addenda to the contract.

20.2. The performance guarantee shall be held against payment to the CLIENT for any loss resulting from the Contractor's failure to perform its obligations under the contract.

20.3. The performance guarantee shall be in provided in the form of a bank guarantee, or insurance company, approved by the CLIENT, in the proportions of currency in which the original contract is payable.

20.4. No payments shall be made in favor of the contractor prior to the provision of the guarantee. The guarantee shall continue to remain valid until the date of the issuing of the mutually signed final Act of Acceptance.

20.5. The CLIENT shall demand payment from the guarantee of all sums for which the guarantor is liable under the guarantee due to the contractor's default under the contract, in accordance with the terms of the guarantee and up to the value thereof. The guarantor shall, without delay, pay those sums upon first demand by the CLIENT and the guarantor may not raise any objection for any reason whatsoever. Prior to making any claim under the performance guarantee, the CLIENT shall notify the contractor stating the nature of the default in respect of which the claim is to be made.

20.6 The performance guarantee shall be released in 60 days of the issuing of the signed final Act of Acceptance for its total amount except for amounts which are the subject of amicable settlement, conciliation, arbitration or litigation.

* **Warranty Bond**

20.7 The TENDERER shall provide Warranty Bond for 5% (five) net of the amount confirmed in the final Works Completion Statement approved by both Parties. The Warranty Bond shall be valid for 5 (five) years after completion date. Payment of the retention amount due to the TENDERER resulting from the Statement at Completion will not be paid before the CLIENT has received an acceptable Warranty Bond.

* **Industry Specific Business Insurance**

20.8 The Tenderer shall provide industry-specific insurance coverage(s) for the Construction Works defined per Project Scope / LOTs. It shall maintain such insurance coverage(s) till completion of the Works and pay the insurance premium required to keep such policy/policies in force.

20.9 The Tenderer shall, at its sole expense and without limiting its obligations and responsibilities under the respective contract, take out and maintain in effect at all times during its performance, adequate insurance policies executed by it in relation to the contract with licensed insurers, with both the policies and insurers acceptable to the Client.