



NISPAcee PROJECT “Effective Project Management in the Water Sector in Georgia: Implementation of the EU and EBRD Methodologies”

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**Guidelines and Methodology
on Pre-construction Works**



for WWTP municipality projects, Georgia

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1. Abbreviations & Acronyms

AIA - American Institute of Architects
BoQ - Bill of Quantity
CA - Contracting Authority
CR - Contractor's Representative
DAB - Dispute Adjudication Board
DBIA - Design Build Institute of America
EBRD - European Bank for Reconstruction and Development
EC - European Community
EPC - Engineering Procurement Contract
ER - Employer's Requirements
FA - Final Acceptance
FIDIC - Fédération Internationale des Ingénieurs - Conseils
FPC - Final Payment Certificate
GB - Green Book
GCC - General Contract Conditions
HES - Health, Environment and Safety
IPC - Interim Payment Certificate
JCT - Joint Contract Tribunal
JV - Joint Venture
MoM - Minutes of Meeting
NALAG - The National Association of Local Authorities of Georgia
NPV - Net Present Value
PA - Provisional Acceptance
PCC - Particular Contract Conditions
PP - Public Procurement
PRAG - Practical Guide
RB - FIDIC Red Book RFP - Request for Proposal
RFQ - Request for Quotation
ROI - Return of Investment
STD - Standard Tender Documents
TD - Tender Documents (Tender Dossier)
TS - Technical Specification
UNDP - United Nations Development Programme
UWSCG - United Water Supply Company of Georgia
VFM - Value for Money
YB - FIDIC Yellow Book (also P&DB)
WBS - Working Breakdown Structure
WB - FIDIC White Book

2. Foreword

When Procuring Entities advertise for Bid opportunities they aim at obtaining maximum competition from the Tenderers. This can only be achieved if Tenderers submit commercially and technically responsive Bids, so that eventually they are compared on their price.

These Guidelines are intended to assist a Contracting Authority **to prepare responsive Tender Documents** in conformity with a Standard Documents used for EC co-financed projects as well as for EBRD projects. The main importance has therefore a six separate Tender Documents A1-B3 (Dossiers) prepared based on standard EBRD and EC Tendering Procedures.

3. Introduction

This Guidelines and Methodology (“The Guidelines”) describes minimum standards of acceptable practice for public infrastructure construction projects in Georgia. Commitment to continuous improvement and best practice performance is expected of all those involved in Tendering Procedures.

Public Procurement and Tendering Procedures are a relatively new area in Georgia and, usually, the information in this area is obtained through non-professional channels. The Guidelines also serves groups that **are not involved on a daily basis in Public Procurement**, but still **need to receive professional information in this area**.

The Guidelines offers information related to the Tendering Procedures, its implementation in practice, issues and cases faced during daily work, as well as solutions or opportunities to find such solutions. The Guidelines describes the tendering and contractual environment and covers the most common forms of tendering and contractual procedures will be used on infrastructure projects in the country. However this will not cover the essential background tax information, local Laws and related specific conditions in the country and impact of any legislation.

The provisions of the Guidelines should be observed by all parties involved in public infrastructure construction. The Tender Procedures and Contract Management processes should be structured to minimise costs for all parties including the operators, consistent with the standards of behaviour required by these Guidelines.

Objectives of the Guidelines

This document has been developed as a reference Guidelines to comply with the implementation of the national Procurement Law and Regulations and contains Standards, Procedures and Guidance on of Public Procurement. Although the compliance with the advice or guidance found in the Guidelines is not compulsory, it is strongly recommended to all categories of Procurement Staff at the state, regional and local levels. Hence, the Guidelines can only be applied as an additional tool to the Procurement Law and regulations in force.

The document is primarily **intended for Public Procurement practitioners**, providing them with a suitable tool to ensure an efficient and consistent practice of the public procurement procedures. The Guidelines will also serve as training material in the context of procurement training activities for strengthening knowledge of Staff associated with the Public Procurement procedures.

The Guidelines establishes high and significant benchmarks and encourages high ethical standards for United Water Supply Company of Georgia, managed construction projects in order to achieve better Procurement Practices, higher productivity, high-quality construction Works, better working conditions and the avoidance of malpractice, with significant benefits to the entire Contracting Authority. All other entities and local municipalities are therefore encouraged to apply the principles outlined in these Guidelines taking specific conditions of their project into consideration.

Although the Guidelines primarily address standard methods of procurement and delivery, it also seeks to actively encourage innovation especially regarding Contract Management due to changes in local Laws, especially in a Public Procurement Law and Decrees. The parties to these Guidelines recognise that high standard of performance can be achieved by encouraging innovation and co-operative practices which lead to better quality projects, lower costs over the life of infrastructure and better value for money.

It should be appreciated that the Guidelines is an attempt to bring to the attention of public entities important provisions in the Tendering Documents. However, it is our expectation that by reading these Guidelines, public entities will find it easy to understand the relevant Tender Documents also for specific requirements in construction infrastructure projects which they are participating.

The Procurement Legal Regime-Decree Law sets out new procurement processes which must be carried out by government procurement officers for purchases on behalf of the related Laws.

CA should encourage innovation and alternative solutions by using performance based specifications where appropriate, leading to:

- i) increased efficiency in Design, Tendering, Project Management and Financial Management;
- ii) speedy resolution of complex design and production problems;
- iii) less rework and a lower cost finished product; and
- iv) improved delivery of projects in terms of higher quality outcomes.

Content of the Guidelines

The Guidelines consists of five Sections, which are presented below.

Section I. provides a short summary of the actually situation in water sector in Georgia and national Public Procurement Law and Public Procurement Regulations in Georgia, as well as a glossary of terms used in the field of procurement that are set out by the Law and shall apply to these Guidelines. The Guidelines generally **are not focusing** the Evaluation Procedure and assessment of each related Tender Document based on competitive Bids. It comprises information on the national procurement policy from the general principals of public procurement to the responsibilities of the different entities involved in procurement.

Section II. with theoretical framework for Tendering Procedures describe the general principles of Tendering Procedures from pre-construction activities to Cost Estimation for projects.

Section III. describes the different methodology for Works, Supervising and Design Works to be used for EBRD financed construction projects. The section is divided into Sub-sections due to different methodology and tools for Works, Design Works as well as Supervising.

Section IV. is focusing the methodology for Works, Supervising and Design Works to be used for EC co-financed construction projects. Spreading into Sub-sections follows a previous practice of the EBRD methodology.

Section V. describes EIA procedures and compares the practice in Europe due to existing European Law and experience from EC practice.

Audit Trail in a **Section VI.** in a form of methodology for Contracting Authority represents a complete Methodology for implementation of projects in water sector ho help the Contracting Authority and other entities to develop and primarily monitor such projects during implementation phase.

A **separate Annexes** provides practitioners with useful template documents will be used for both Tendering Procedures for Works Contracts whose usage is recommended in the practical course of the Procurement Procedures will be hold form NISPAcee.

Disclaimer

While every care has been taken to ensure that the content of these Guidelines is useful and accurate, the author and any contributing third party shall have no legal responsibility for any loss or damage arising directly or indirectly in connection with reliance on the use of these Guidelines by persons without recognized qualifications and the appropriate license(s). The Guidelines describes the tendering and contractual environment and covers the most common forms of tendering and contractual procedures will be used on infrastructure projects.

The most important issues are included, but it is not feasible to discuss every subject in comprehensive detail within this format.

The manual should not be used as a Guideline with the aim to replace the juridical support on construction projects in Georgia.

Section I. - Actually situation in water sector in Georgia

1. The National Procurement Legal Framework

2. Overview of the Public Procurement Law and other related Laws and Decrees

Assessment of existing Documents

The high consumption of water and current poor conditions of water supply and primarily water treatment systems in planning and execution in Georgia is predominated by:

- i) the lack of Legal Acts and Decrees of various levels;
- ii) missing mechanisms to regulate the property relations;
- iii) weakness of existing management structures;
- iv) absence of accessible regulatory documentation on planning and implementation; and
- v) missing experience on Municipalities to manage large water projects due to international practice.

The necessity to develop the code of rules and regulations, including **Guidance and Methodology for Project Management in Water Sector in Georgia**, therefore became evident.

Generally

In accordance with Client's requirements and NISPAcee ToR specifications **Assessment of existing Documents in Water Sector** of Georgia were prepared. The Assessment consists of a desk review of relevant project documents related to the project activities such as:

- i) project documents, progress reports, brochures, cost-benefit analysis of WWTP;
- ii) existing Decrees, Laws and other related and relevant documents;
- iii) Country Plan regarding Water Sector Development;
- iv) Existing Public Procurement Law and related Decrees to these procedures.

After Review Period of existing Documents from as well as relevant Project Documentations, **Guidelines Document** were prepared to **describe and explain actually situation in Water Sector**.

The concepts there are outlined in this Methodology are already evolved by Water Managers dealing with the ever more complex Development and Management of Resources in Slovak Republic and in Europe.

Normative Regulations

Normative and Legal Regulations and Acts

Legislation in the area of water supply is based on Georgian Laws, normative, legal and international legal Acts taking into consideration effective use and protection of Water Resources.

Use of water objects for water supply needs involving the technical facilities is made on basis of permission for special water use. Settlement of the wells and capitations on the government reserve land and forest fund is made according to the agreement with the special authorized bodies on regulation and protection of waters, issued by **Committee on Environment Protection under the Government of Georgia**. Documents for obtaining permits are drawn up by water users or by Designers or other organisation.

Agreements of Water Supply and Water Treatment

Provision of Water Supply Services to organisations, enterprises, form of ownership and legal form is regulated by Law of Georgia **xxxx**.

Public Procurement Legislation Review Summary

Legal framework

Public procurement in Georgia is regulated by the Law of Georgia on State Procurement (April 20, 2005) - PPL.

Regulatory institutions

An independent public procurement regulatory body, the Public Procurement Agency (PP Agency) has been established and is responsible for developing the PP policies and monitoring compliance of PP practice. The Chairman of the PP Agency is appointed by and reports to the Prime Minister of Georgia.

The main functions of the PP Agency are:

- development of PP regulation and standard tender documents
- harmonisation with international standards
- monitoring procurement procedures
- carrying out tenders when consolidated

Scope of regulation

The law covers national and local government procurement and includes procurement rules for public law institutions when those entities spend public funds. PPL does not contain specific procurement rules for the utilities sector.

Concessions are regulated by a separate Law (The Law of Concessions), and PPL clearly differentiates between public procurement contracts and procedures and concessions. The law does not establish a Central Purchasing Body. However, according to PPL, at the discretion of the Government of Georgia, a consolidated tender may be used in the procurement of similar objects.

Eligibility rules

PPL does not establish primary public procurement eligibility rules. However, the Public Procurement Agency, based on a secondary law, has established a register which includes blacklisted participants, bidders and suppliers who are forbidden to participate in procurement. Those Tenderers entered into the Register are unable to submit tenders for a year.

In addition, the contracting entity for each procurement sets forth qualification requirements for the Tenderers. Qualification criteria have to be fair, non-discriminatory and conducive to the promotion of competition principles.

To show compliance with eligibility rules and prequalification requirements specified in tender documents the Tenderers may be obliged to demonstrate appropriate evidence, such as certificates.

Procurement procedures

PPL provides for various types of procurement procedures:

- open tender;
- request-for-quotations;
- direct contracting.

Open tender is the default procedure. The contracting entity may apply other procedures only in situations where the law allows.

In addition, requests for quotations may be used for the procurement of goods or services, with an estimated value of less than GEL 100,000 as well as for the procurement of works with an estimated value of less than GEL 200,000.

PPL does not provide for negotiated procedures and forbids any negotiations during the tender. eProcurement is carried out in a simplified e-tender.

Procurement time and cost effectiveness

PPL does not allow for an estimation of the standard length of the procurement process. PPL establishes several specific deadlines for procurement stages:

- the tender notice must be published not less than 20 days from opening the tenders
- Tenderers must be informed about tender results 5 days after the decision was made
- the Contract must be concluded within 10 days of informing the Tenderer the Contract was awarded.

PPL provides for mandatory aggregations of lots. Procurement of similar goods, services or works during a contracting entity's budget year shall be regarded as one procurement if it is funded under the same budget. Splitting a procurement to avoid monetary thresholds set forth in PPL is not allowed. PPL requires formalities to be kept simple and aligns the value and scope of the contract to the formality of the procedure.

PPL contains clear requirements on methods of communication including the mandatory use of electronic communication where the law allows.

PPL stipulates that the costs of tender participation should be kept low. A flat fee of GEL 150 (63 Euros) shall be set for tender documents, and GEL 50 (21 Euros) for the submission of a tender or proposal. Detailed rules for fee payment are established in a secondary law. The contracting entity may seek a tender security, stating its maximum amount in the Contract notice. If the estimated value of goods or services subject to procurement is over GEL 600,000 and, if the estimated value of works is over GEL 8,000,000, the contracting entity shall publish the tender announcement in one of the languages accepted in international trade. If the estimated value of goods or services to be procured is over GEL 500,000 and the estimated value of works is over GEL 1,000,000 publishing an e-tender announcement in English is mandatory. In all other cases, tender documents may be published in a foreign language at the discretion of the contracting entity.

Review and remedies

Prior to the conclusion of a public procurement contract, Tenderers may take legal action against the contracting authority or tender commission which violated PPL rules and infringed their rights.

There are certain exemptions from the general right of the Tenderer to appeal.

The Tenderer may not file a complaint about:

- selection of the procurement method as long as it is in compliance with PPL
- the decision of a contracting entity to suspend or terminate a procurement procedure which has been adopted in compliance with PPL

A unit within the PP Agency has been established to review complaints, and consists proportionately of the PP Agency's and the NGO's representatives. The contracting entity or the PP Agency delivers a decision and informs the claimant within 10 days of receiving a complaint.

Public Contract Management

PPL requires mandatory planning of public procurement. The contracting entity shall perform procurement functions in accordance with an approved annual plan. In the case of a long-term procurement, the PP Agency shall be notified after the Georgian Ministry of Finance and/or a finance unit of a relevant local self-government body has approved the procurement. PPL does not require contracting entities provide for contract management of a public contract.

No new conditions which change the nature of the contract established in the contract notice and which were the bases for selection of the Tenderer may be added to the Contract.

Amendments which violate the law on public procurement are deemed invalid. Contract performance security, if requested, must be submitted in the form required by the contracting entity.

Strengths

PPL contains sound basic principles and comprehensively regulates the procurement process and guides the drafting of tender documents. PPL allows the use of standard international contract forms for all types of procurement. In addition, PPL allows tenders and qualification documentation confirming compliance with requirements to be submitted electronically (i.e. without a certified electronic signature).

PPL has demonstrated high compliance in terms of *transparency*, competition and flexibility, mainly due to the extensive use of e-procurement and effective publicising of procurement opportunities. PPL makes advertisement of contracting opportunities mandatory, and requires the mandatory publication of contract award notices and tender documents. Documents related to the tender are available to the public. PPL requires the public tender opening to take place promptly after the deadline for the submission of tenders and the procurement process is duly recorded.

Weaknesses

Georgian PPL scored low in stability as it has been substantially changed within the last three years. This weakness can be easily forgiven as these amendments to PPL improved the legal framework dramatically.

3. Barriers to Implementation of procedures and how to overcome them

To increase the uptake of investments and behaviours in industry and construction generally, public policies are necessary to **eliminate the barriers** that discourage stakeholders from pursuing projects also in water sector. Beyond removal of barriers, proactive instruments are imperative to enhance users' motivation and incentives to adopt more efficient technologies and practices.

Therefore, by choosing energy-efficient designs and materials for example for their own buildings, governments can exert a powerful influence on the building sector, as well as setting an example for industry. Buildings are generally included, but the potential for savings and possible cost-effective actions are in industry, primarily on water sector, often underestimated.

Under these and other laws, various policies have been implemented around the World to improve the efficiency of construction projects included industry. Especially in a case of WWTP, due to a specific conditions that each WWTP consist of construction elements and parts as well as from technology (pumps, electricity), both criteria must be taken into consideration.

The barriers to development of projects in water sector are shown in table below.

Most Common Barriers to the Development of Water Management

Type of Barriers	Description of Barriers
Institutional, Legal, Regulatory Barriers	Regulations and methodology to promote sample WWTP projects are un-adapted or missing.
Information and Technology Barriers	<p>There is a lack of information on and awareness of project in water sector and its benefits among policymakers and building officials as well as the general public, including:</p> <ul style="list-style-type: none"> - Lack of local capacity to design energy-efficient WWTP projects and integrate EE technologies into their work - Lack of data on energy consumption and projects performance - Lack of local expertise for audits of existing WWTP (also in simplified version) - Lack of knowledge about advantages of Preventative Maintenance Plans (PMP) and how to use them in water sector - Lack to prepare, build, and maintain WWTP projects (especially among small company builders and local projects) - Lack of availability of labelling, materials and equipment and limited national expertise to design and manufacture them for the purpose in

	water sector - Energy consumers are not motivated to use EE products and materials - Lack of institutions to prepare Tender Dossier for water projects in accordance with latest development on the construction markets
Economic and Financial Barriers	- Projects cannot be profitable without fiscal or/and economic incentives that are not in place (exemption from payment of income tax, tax credits, exemption from import duties and taxes, subsidies) - Return of investment is often negative due to a high investment cost (NPV calculation) - Upfront costs are given more attention than recurring costs - Organisations and municipalities do not benefit financially from the energy savings they achieve.

Description of the barriers to the implementation of water projects

Though the **policy barriers** to implementing experienced and recognized practices in industry projects as well as in public buildings have largely been dismantled, there are still significant barriers that exist to the implementation to existing and/or future investment projects. The ability to increase the market for water projects and services is still limited significantly by the barriers described below in the table upper.

These barriers can be divided into three main groups:

1. Institutional, legal and regulatory barriers

One of the areas where the implementation of methodology is complicated is related to the legal and contractual framework in which developers of water projects operate.

2. Information and Technology Barriers to implementation

In addition to legal and contractual issues, there are also barriers related to lack of financial and technical capacity within the potential service providers (Designers, Engineers) and construction companies. These hinder investment which results in the lack of prepared projects in the water sector being taken up and services and/or works provided.

3. Economic and Financial Barriers to implementation

While the barriers outlined above are specific to many municipalities, there are also two primary barriers to the **nationwide** uptake of the measures in water sector and projects at all.

Removing the barriers on the market

Outcomes which would indicate these barriers have been overcome

Following from the analysis of the barriers to the implementation of practicable Methodology for preparing and evaluation of projects in the water sector, it is possible to draft outcomes that would demonstrate that the project has overcome these barriers. From there, it is then possible to outline the outputs and activities that would lead to the outcomes.

The table below outlines the barriers that this project plans to overcome and the outcomes that will demonstrate that progress has been made in creating a market with implementations for water projects in Georgia.

Barriers to be overcome in NISPACEE Guidelines and outcomes that will demonstrate the barrier has been overcome

Barriers	Outcomes which will demonstrate the barrier has been overcome
There are no examples of the WWTP contractual and institutional framework in Georgia	Strategic document established as showcase which also provides best practice examples of the contractual and institutional framework for the
Lack of expertise among the municipalities and Ministries for tender preparation, tender awards	

and project monitoring base on EC principles and experience	implementation of EC procedures
Lack of funds and funding mechanisms available for investment for EE water projects	Strategy is water sector implemented cost effectively and transparently, with significant demonstration value methods for projects in water sector
Lack of local business models and expertise for implementing measures in water sector	
Lack of a nation-wide effort to replicate the EC model in water sector at the municipal level	Growth in number of EE industry projects, (including water sector) through establishment of sustainable financing
The regulatory framework is still complicated and thus a barrier for national-level implication of water projects	

Section II. - Theoretical framework in Tendering Procedures

1. Tendering Procedures in construction projects

Tendering is the process used by many construction clients to obtain the programme and price for building a project. It typically consists of three parts:

- i) deciding on the type of Contract and the terms and conditions that would form the basis of the contractual relationship and under which the Work will be done;
- ii) selecting the most suitable Contractor given the budget and time available;
- iii) and establishing the Contract price.

Tender Documents

The Tender Documents of a project should typically contain the design and specification of what the Client wants to build. It is the same documentation that a Contractor (Bidder) needs to calculate and offer a price and programme for a project. Tender Documents also help to obtain competitive tenders that can be evaluated objectively to select a suitable Contractor.

Poor specification writing, disparities between Bill of Quantities (BoQ) and drawings and specifications, and poorly prepared Tender Documents are common problems associated with Tender Documents. Poor quality Tender Documents can lead to inaccurate estimates, higher margins in bids, Claims and disputes. Other investigation indicated that major problems associated with quality of information in drawings, specifications and Bills of Quantities included missing information, late information, wrong information, insufficient detail, impracticable designs, inappropriate information, unclear information, provisional information, poorly arranged information, uncoordinated information and conflicting information.

Hence, the clearer the Tender Documentation, the more straightforward the construction process will be and the lesser the cost of tendering will be to a Contractor. The time spent by estimators writing assumptions, specifications and doing guesswork clearly adds to the costs of tendering.

Nowadays, a mismatch of documents with no proper order and structure leads to uncertain Bids with higher bid prices. Most documents received nowadays are not to the standard and clarity needed to give an unqualified, good and competitive offer.

Accurate and timely information is critical of the each stage of the process, and lack of effective information systems is a main cause of procurement delays and inefficiencies. The related information system must be able to:

- produce information for quantifications and Tender Documents;
- issue notifications of Award;
- track order status and compliance with Contracts terms;
- manage communications with Contractor.

Some global procurement mechanism as UNDP, Supply Chain Management System etc. used negotiations as a primary tactic to established Contracts on high-used and high-cost items. These system

need to ensure multiple source options to assure steady supply. However most modern Laws and regulations covering public-sector procurement require competitive procurement methods. Negotiation can be legitimate when only a few suppliers are available on the market.

Almost all procurement Laws and regulations are based on previous Laws developed in and for the Country. Therefore questions of which system of Law applies often arise - especially in the cases for project financing from EBRD, UNDP or other resources or Donors. The matter becomes particularly important if a disagreement arises. The best example is application of FIDIC Contract in countries all over the World due to a fact, that FIDIC conditions have roots in Commonwealth Law.

Procurement Processes and Standard Documents

The preparation of **Tender Documents** and the selection of the appropriate Tender Procedure and methods are critical tasks in procurement also for municipality infrastructure project in Georgia.

However any changes or variations to the Tender Procedures must:

- BE based on the merit of the Bid;
- NOT give preference to any Bidder; and
- minimise any unnecessary costs for a Bidder.

In making changes, Contracting Authority must consider the risk that Authority may be made liable to compensate Bidders who might be negatively affected by any changes.

The need for consistency

To be fair all Suppliers and Bidders should be given the same commercial information and guidance and instructions during the Tender process. Procedures, rules and Bid evaluation criteria need to be applied consistently to the different Bids to prevent any actual or perceived discrimination or preferential treatment. Consistency of this kind can best be maintained where clear procedures are documented in advance, where Staff are fully trained in them, and where there is strong continuity in the people who make up the Tender project team and advisers.

Planning the Tender

Tendering is a vital part of the company's activities. It is therefore important to plan the Tender properly and to carry out a systematic scrutiny of the Tender Documents - irrespective of project size, contract/tender form and the extend of 'own production'. The company shall develop its own procedures with respect to legal and technical scrutiny as well as risk assessment. Likewise, the procedures for building Site inspection in connection with the Tender have been established.

2. Principles of Public Procurement

General Principles

Generally, the following principles will apply for Tendering Procedures not depending on two different Procurement Methods will be used in these Guidelines:

- i) value for money - procuring goods and services at optimal cost, having regard to issues such as policy, performance standards, Risk Management and life cycle costs;
- ii) open and fair competition - maximising the opportunity for firms and individuals to compete for business;
- iii) accountability - allocating responsibility for compliance with policy and adoption of best practice;
- iv) Risk Management - adopting management strategies to minimise risk in Tendering and Contract Management;
- v) probity and transparency - ensuring fairness, impartiality, consistency and transparency in all stages of the tendering phase;
- vi) local industry participation - using local producers whenever and wherever they offer best value for money;
- vi) minimisation of tendering costs - ensuring that consideration is given to the costs of tendering.

Importance of the Standard Tender Documents

It is unfortunate that many public entities do not spend enough time to acquaint themselves with the content of the Tender Documents.

In the tendering process, it is recommended that Procuring Entities use the Standard Tender Documents (STD's) which aims at:

- a) increasing predictability and uniformity in the tendering process,
- b) increasing efficiency of the tendering process and reduce costs,
- c) reducing unresponsive bids and thus increasing competition; and
- d) reducing preparation and review time of the TD.

Tendering is one of the stages in construction procurement that requires extensive information and documents exchange. However, tender documents are not always clear in practice. The aim of this document was to ascertain the clarity and adequacy of Tender Documents used in practice.

The quality of Tender Documentation is still a problem in construction despite the existence of standards like EBRD sample documents and EC document PRAG that are meant to help in producing clear and consistent project information.

The poor quality of Tender Documents is a source of inaccurate estimates, Claims and Disputes on Contracts in many construction projects. Particular savings are made by having standard tender response formats across all Georgia Government legal services panels coordinated across government as a whole.

The competitive tendering process

The main objective of the Tendering Procedure is to ensure the "best fit" Contractor is selected to supply Works and/or services to the Client which offers best value for money. Such a supplier is likely to be sound commercially, technically competent, financially sound and perceived as best for the task.

Basic rule in Public Procurement - Value for Money

Value for Money (VFM) is defined as the optimal combination of whole life costs, service delivery and quality necessary to meet the end user's requirements. Meeting the end user's requirements is fundamental. End users are not usually the purchasers themselves and their needs must be tested critically for cost effectiveness. To ensure best VFM in procurement the relevant factor is whole life cost.

Whole life cost takes into account all aspects of cost over time, including capital, maintenance, management and operating costs, whenever they fall. It is Government policy that purchasers should also use their commercial influence to help improve the competitiveness of suppliers, e.g. by ensuring that the products, processes and services which they buy, as far as possible, reflect the requirements (in terms of quality and price) of world markets. Suppliers should not be put to unnecessary costs through casual enquiries for bids. All procurement officials are responsible for ensuring that best VFM is achieved throughout the procurement process.

In the case of **construction projects**, VFM relates both to the functionality and building quality of the finished building/structure, and to the quality of service provided by the various Consultants and contractors engaged by the end user. The former may include several factors such as: design aesthetics; appropriateness and sensitivity to surroundings; ease of maintenance; adaptation to suit future Client requirements; and impact on the wider environment. The latter should take account of the particular abilities, skills and strengths of potential service providers, including their aptitude for providing innovative solutions and for working effectively alongside the other team members.

Goods and services should be acquired by competition unless there are convincing reasons to the contrary. Competition avoids any suggestion of favoritism and the encouragement of monopoly; it also helps promote efficiency and economy. The form of competition should be appropriate to the value and complexity of the goods or services acquired. It is a policy principle that procurement should be undertaken through open competition. Purchasers, in consultation with customers, are responsible for identifying suppliers most likely to offer best VFM and for encouraging them to tender.

Whole Life Cost

Contracting Authorities, whenever initiate procurement, shall take into account the whole life cost of the contract object, in order to strategise better what to purchase. The concept envisages all of the ownership costs related to a building or facility throughout its lifetime, comprising: its purchasing (including design, other consultancy, construction and equipment fit-out); its operational and running costs (including energy use, maintenance and replacement of equipment or components); and its disposal costs.

Tenders and Quotes

Government agencies use a range of instruments to obtain legal services. Typically, these have been developed on an agency-by-agency basis. Request for Tender (RFT) documentation is used when establishing panels and Request for Quote (RFQ) documentation may be used when approaching an existing legal services panel to provide services in relation to a particular matter or type of work (i.e. high volume work). This documentation can be standardised across government. The Legal Management Services Unit is responsible for the centralisation and standardisation of procurement documentation to reduce duplication and save valuable resources.

3. Tender Methods and Process

CA should select a tender method and process that suits the procurement, its level of risk, is timely, avoids creating unnecessary costs for Tenderers and safeguards the security and confidentiality of all Tenderers.

Subject to legislative requirements, the Tender may be let by various procedures of which the most commonly used are:

- i) Open Tenders;
- ii) Selected Tenders and;
- iii) Preregistered (Selective) Tenders.

Open Tendering requires the Principal to advertise the “Invitation to Tender” in a relevant newspaper, provide pertinent project details, invite the public to Tender and inform prospective Tenderers of the closing place, date and deadline of tender submission.

Selected Tendering follows the same general procedure as Open Tendering with the exception that only those tendering organisations that have shown prior competence in similar projects may tender the project.

Alternatively, the tendering organisation may acquire this status by submission and acceptance by the CA of information relating the organisation’s ability to execute similar projects. Such information would be furnished and accepted prior to the Principal inviting a Tender. A register is maintained by the CA and regularly reviewed. Organisations are invited to Tender as Work is required after reference to this register.

Pre-registered (Selective) Tendering is a two-stage process involving an advertised invitation to respond to an Expression of Interest from interested Tenderers in lieu of an invite to tender. The CA will use an “expression of interest” process before it invites tenders. The CA will advertise publicly the purpose and nature of the Contract or project and the date by which it will invite Tenders. The aim at the expression of interest stage is not to elicit Tenders, but rather to assess the capacity of the respondents to undertake the Work or project, and to refine the specifications.

The CA will make the evaluation criteria for registration available to all respondents and such criteria should include:

- i) financial capacity;
- ii) organisational capacity;
- iii) performance capability as evidenced by references;

- iv) resource availability;
- v) occupational health and safety management;
- vi) environmental management;
- vii) quality management;
- viii) project management;
- ix) relevant experience; and
- x) compliance with this Guide.

The CA may invite tenders from some, or none of the registrants, by the advertised date. If the CA does not invite tenders by that date, it will write to all registrants advising when tenders are to be invited. Respondents who are not invited to tender will be advised in writing. The CA will use this list of registrants to invite tenders for the advertised contract or project only. Conditions of tendering shall be the same for each Tenderer on any particular tender process. All requirements, including the criteria for tender evaluation, shall be clearly stated in the conditions of tendering.

Goals of Pre-registered Tendering

The main goal of **Pre-registered Tendering** is to select from a total of 10 - 12 Companies with comparable references, experience in the region and capacity options finally 3-5 companies which fully meet CA requirements. During the next stage only eligible companies will be entitled to apply their bids.

Generally contractual arrangements set out the legal relationship parties wish to establish and hence creating rights, obligations and procedures for resolving contractual disputes. The important role plays also selection of appropriate procurement method in line with the project needs.

The Tendering is suitable for projects which programme requirement does not allow sufficient time to complete Design Works before Contractor selection. The circumstances that may bring this situation about include projects where:

- the benefits to be accrued from early start and shorter construction time exceed the likely risks of commencing the Work on half-completed design information;
- early Contractor involvement to advise on buildability, design and programming is required
- separation of design from construction is impractical;
- price is only one of the criteria for selection and design input from the Contractor is required.

The Pre-Registered Tendering system involves competitive selection of Contractors in the first phase and negotiations in the second, however the short-listed Bidders will be not integrated into the design team. In the second stage only short-listed companies (5-7 Tenderers) will receive a complete Tender Documentations with drawings, BoQ, Technical Specifications etc.

The factors that may influence Contractor selection under this method include the following selection criteria:

- experience, technical knowledge and ability to execute the Work;
- capacity, in terms of physical resources (workmanship, plants, productions, factories), human resources (quality of management, staff, technicians, technical knowledge and experience in the office and on site);
- reputation based on past performance Contracts, number of projects successfully completed, speed of construction, after- contract services;
- length of time in business, current sound financial and trading position, business relationship, categories of Clients (private, GO), type of projects in which Contractor specializes (industry, civil engineering, Plants);
- structure of proposed sub-contractors, JV or other entities will be involved on Project;
- non-economic factors with influence on Contractor's ability to perform the Works.

The factors which influence the choice of appropriate contractual arrangement include:

- size, nature and complexity of development;
- dates for commencement and completion;
- adequacy of construction information on which to establish Client's cost limit;
- availability of valid and adequate construction information on which to obtain tenders;
- the scale of changes the Client is likely to effect during the construction phase;
- requirements of Client's Risk Management;
- avoidance of variations to the Works and where unavoidable, kept to a minimum.

Therefore under the FIDIC Conditions, P&DB Contracting Authority (CA) shall prepare and present non-restricted one-stage tendering procedure; the candidates should meet the following criteria: the capacity / capability;

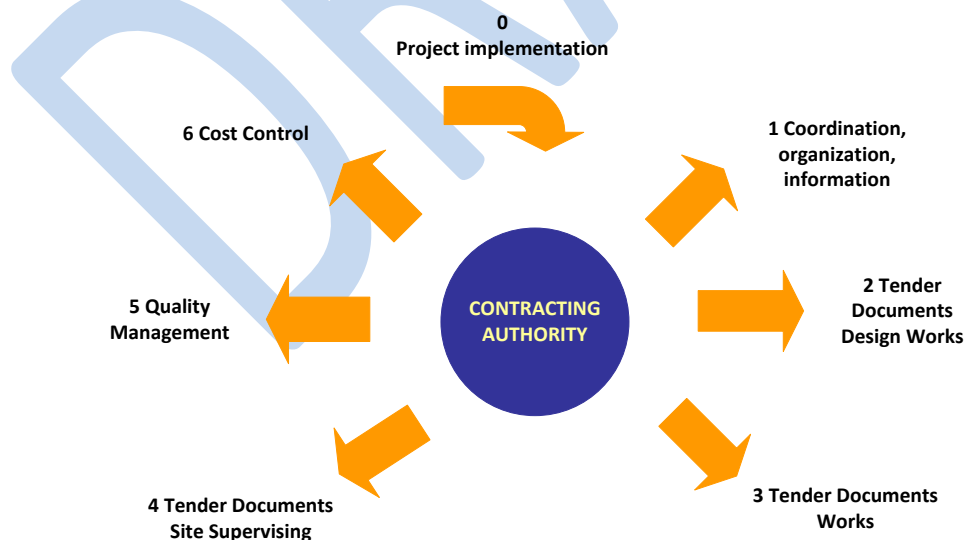
- references of energy and water sector;
- international reference list;
- appropriate insurance for Works and Design Works;
- ability to become bank guarantee by international recognised Bank;
- ability to build in local conditions as a Main Contractor or Leading Company in JV.

The same principles for two-stage selective tendering procedure will be used also for selection for Engineer (Site Supervising) based on FIDIC Conditions.

The combination of two-stage tendering with subsequently negotiations in connection with FIDIC P&DB Conditions are summarised in a form of advantages as follows:

- overlapping of design and construction phases as time-saving method with attendant savings in cost;
- reduction of CA risk regarding Design responsibility;
- early start on site may be achieved;
- the Contractor's skills and work experience are made available to the design team;
- all important project details are discussed during the negotiations, thus effecting a rational price;
- early Contractor appointment in the design phase leads to a beneficial contribution;
- the CA obtains the Contractor he prefers as the Contractor is selected for ability as well as price.

Principles and methodology of Tender Documents is visible in table below.



4. Tender Documentation

Tender Documents are the written details of the goods and services required and should include a copy of the proposed contract between the CA and the Contractor. For civil engineering works, there will be copies of plans, drawings and specifications and where appropriate, a Bill of Quantities. The Contract plans, drawings, specifications, Bill of Quantities and/or Schedule of Rates and Prices, Letters of Agreement will form the basis of the contract between the CA and the Contractor.

Tender documents should specify the CA requirements clearly and indicate the criteria for evaluation, including the weighting given to each evaluation criteria. All parties should have regard to the costs of tendering to the industry and the community at large, and avoid calling repeated rounds of tendering.

The tender documentation should specify the timelines for the acceptance of Tenders and notification of the successful Tenderer. Where these timelines are to be altered, the Tenderers should be notified accordingly. If there are to be significant delays then Tenderers are to be given the opportunity to vary their tender.

The following information should be provided in any invitation to Tender:

- i) name and registered office of the CA, architect, quantity surveyor and other major Consultants;
- ii) the proposed contractual obligations of the parties, ie, type of Contract and any special conditions being contemplated.

The following information should be provided in any invitation to Tender:

- i) name and registered office of the CA, architect, quantity surveyor and other major Consultants;
- ii) the proposed contractual obligations of the parties, ie, type of Contract and any special conditions being contemplated;
- iii) full details of Work for which the tender is called, ie: location of site; and general description of Work and some indication of size, including specific requirements;
- iv) a Bill of Quantities, if appropriate (where quantities are provided by the CA they shall be measured in accordance with used methodology in the country)
- v) the specific time for construction;
- vi) all known information that may affect the risks of the project;
- vii) any supporting information required from Tenderers;
- viii) the person to provide additional information on behalf of the CA;
- ix) sufficient detail to avoid undue design and documentation Work prior to the selection of a Tender, unless the CA offers to pay;
- x) the method and time of lodgement and, in the case of public opening of Tenders, details as to the time and place of public opening;
- xi) what provision is made for rise and fall in prices,
- xii) whether allowance has been made to address significant movements in costs of consumables and materials due to global factors;
- xiii) how provision is made for inclement weather;
- xiv) how liquidated damages and latent conditions are to be applied;
- xv) industry standard conditions of tendering, with special conditions only where necessary;
- xvi) any special conditions or obligations under the contract that are not part of the standard conditions;
- xvii) guidance to Tenderers on the selection evaluation process;
- xviii) indicative timelines for the evaluation and acceptance of the tender;
- xix) advice as to whether Tenderers will be reimbursed for the reasonable cost of preparing tenders for substantial design and construct projects; and
- xx) any test results associated with the project.

Specifications, Technical Specifications

The specification is a most important section of the Invitation to Tender documentation, both for the purchasing organisation and for potential Contractors, since it is the specification which sets out

precisely what characteristics are required of the products or services sought. Especially for FIDIC P&DB projects is TS crucial as a part of Employer's Requirements (ER).

There are two main types of specification - the "functional" specification which sets out the functions that the Works and/or services are expected to fulfil, including the performance to be achieved, and the "technical" specification which stipulates the technical characteristics

As a general rule, the specification should include expected performance or output but should not necessarily define how this should be achieved. To do so may lead to more costly solutions to the purchasing organisation's requirements than might be proposed by potential suppliers.

The following is a check list of some of the aspects which, depending on the nature of the requirement, might need to be considered for inclusion in an invitation to tender:

- the scope and/or functions of the Work or Service required
- the output required
- the quality expected
- estimated maintenance requirements when appropriate
- the expected Contract amount
- any standards required to be achieved, or applied timescales
- start date required
- finish date if "time is of the essence"
- a schedule of deliveries
- any inspection required and at what stages
- details of free issue materials
- accommodation details for installation
- insurance cover required for contractors
- costs in use of components or complete product where appropriate
- response times
- details of measurement of the Work.

The following details must be included:

- interfaces - the name of the person in the purchasing organisation who will have responsibility, on behalf of that organisation, for aspects of either the Tendering Procedure, or for aspects of the management of any resulting Contract, should be given. Equivalent contacts at the supplier are also required;
- resource specialism - particularly where overseas companies are concerned, the professional qualifications of all participants should be required, and details of any standards involved, such as ISO or EN standards. Any compatibility with existing equipment, even if included in the specification, should be highlighted;
- objectives of the requirement - it can often be advantageous to alert potential Contractors to how or where precisely the requirement fits into your enterprise or process. When nearing completion of the Tender Procedure, it can be of assistance to invite Tenderers to view the location or existing process;
- clarity - the prospective Contractor's role should be clearly stated, and all terminology properly defined;
- completeness - to ensure the Works or Services supplied operate as expected, details of any ancillary Works required for satisfactory installation and working should be given in detail,
- measurability - details of any measurable outputs should be described, as well as who will do the measurement, and the reporting process to be used.

Quality standards must be clearly defined to ensure there is no ambiguity, particularly between the requirements set out in the specification and information provided through any discussions or other documents. All critical aspects of the Contract should be identified and it might be necessary to determine and show how they will be identified and measured. It could be that Approval of a quality plan is a condition of Contract and a requirement for assessment of the Bids.

The sort of information which might be included on a quality plan is:

- the named people involved in implementing the quality plan;
- how the Contract will be monitored, measured and reported upon;
- the procedures and controls in place;
- the quality of materials and how these are to be defined;
- how the Service or materials will be provided;
- the method for resolution of difficulties or disputes;
- details of any improvements incorporated or proposed.

All documentation must clearly detail the responsibilities of the Client and Contractor with respect to testing and/or acceptance of the Works or Service on completion of supply. When drawing up a specification and/or Contract details the need for competition must be maintained. As an example, gains anticipated during the life of the project or process, or from more efficient equipment, must be considered when preparing any specification or Tender where the exercise is a retendering one.

5. Ethics in Public Procurement

The Code of Ethics in public procurement identifies three main categories as the follow:

- i) confidence in the public procurement process;
- ii) professionalism of employees;
- iii) quality of execution.

To accomplish these goals, the fundamental basic principles of impartiality, independence and integrity apply, and should be followed at all times. This means that:

- i) no suspicion of conflict of interest should be existent;
- ii) corrupt practice should be immediately reported;
- iii) no impression should be given that actions will be influenced by a gift or favour;
- iv) dealings with Tenderers must be honest, fair and even-handed.

All employees involved directly or indirectly in the procurement process are subject to the following:

- a) They shall not engage in personal, business or professional activity nor hold a financial interest that conflict with the duties and responsibilities of their position.
- b) They shall not solicit, accept or agree to accept any gratuity for themselves, their families or others, which results in personal gain, and which may affect their impartiality in making decisions on the job.
- c) They shall not directly or indirectly use, take, dispose of, nor allow the use, taking or disposing of any property or resources belonging to any Contracting Authority.

In addition to the exclusion criteria of Tenderers, the Contracting Authority must exclude candidates in the circumstances described below.

(i) Conflict between consulting activities and procurement of goods, works or services: a firm that has been engaged by the Contracting Authority to provide goods, Works or Services (other than consulting services) for a project, and each of its affiliates, shall be disqualified from providing consulting services related to those goods, works or services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, and each of its affiliates, shall be disqualified from subsequently providing goods, Works or Services (other than consulting services) resulting from or directly related to the firm's consulting services for such preparation or implementation;

ii) Conflict among consulting assignments: neither Consultants nor any of their affiliates shall be hired for any assignment that, by its nature, may be in conflict with another assignment Consultants;

iii) Relationship with the Contracting Authority’s staff: (including their Personnel and Sub-Consultants) that have a business or family relationship with a member of the Contracting Authority’s staff who are directly or indirectly involved in any part with the preparation of the terms of the Contract, and/or the selection process for such Contract, and/or supervision of such Contract, shall be disqualified from providing consulting Services related to this Contract.

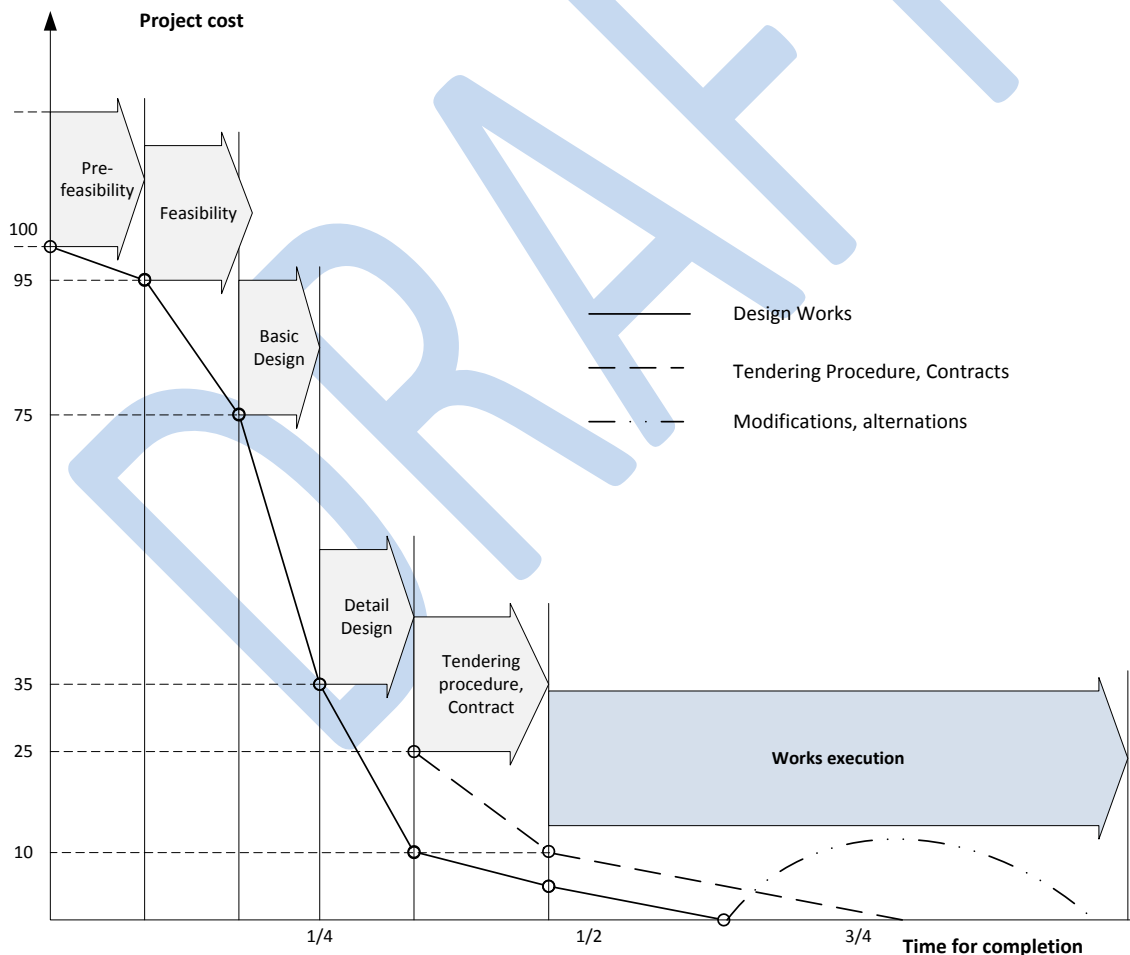
6. Project Cost related with prices and estimations

A part of the related services is to prepare, present and ensure CA’s Approval for the soft cost overview, which are divided into:

- cost of Design Works
- cost of project supervising - Engineer.

Soft cost estimation has nowadays only a small degree of inaccuracy in a form of contingencies (5-10%) and based mainly on construction cost estimation.

On the other hand the cost of Construction Works can be estimated with a reasonable amount only after the presentation of the study, respectively documentation in a form of basic design. The table shows soft cost only till Contract Award with General Contractor. The cost for Engineer’s supervising and Design Works during construction completion are presented in related packages.



A graph presents a relationship between stages of Design Works and project cost. Documentation in a form of study will occur higher prices of bids during Tendering Procedure due to a fact, that higher risk of Bidders must be a part of their prices. On the other side Tendering Procedure based on complete Tender Documents, specifications, complete soil investigation etc. will depreciate prices of Bidders. The

differences between bids provided on a base of studies and later on a base of complete Tender Documents shows figures between 20 - 40 % differences.

During the execution of Works there is no more additionally space for Contracting Authority to depreciate the prices of construction; therefore the role of proper Tender Documents has more and more importance.

Standard Tender Documents and its role in Variation Order Procedure

Reduction of Variation Orders in construction projects

How to avoid Claims in a construction business? Are they differences between excusable and non-excusable claims? Is even the Contractor entitled to apply claims on WWTP projects due to signed Contract taking the SCC into consideration? One of the main targets regarding Standard Documents on Tendering Procedure is therefore to minimise the Contractor's request on time and/or additionally money in a form of Claims.

To consider the reasons for and the origin of construction industry claims it is necessary first to examine the complex nature of construction - especially for P&DB related projects - and the effects of claim management of the different legal jurisdictions which may be encountered. It is also necessary to remember and recognize the fact that the **Employer's view will always differ from those of the Contractor.**

Claim and Disputes represent a risk of loss to both parties to any construction Contract and they are themselves often the result of other risks, or error and of unexpected. It is necessary, therefore, to consider also the wide-ranging risks which exist and how they can be managed.

Practice of American Institute of Architects-AIA listed in Document A201, version 1997 **explain claim** as following:

"A claim is a demand or assertion by one of the parties seeking, as a matter of right, adjustment or interpretation of Contract terms, payment of money, extension of time, or other relief with respect to the terms of Contract. The term „Claim“ also includes disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. Claim must be initiated by written notice. The responsibility to substantiate Claim shall rest with the party making the Claim”.

Due to proposed Contracts - no depends SCC on and local conditions - the Claim agenda must be established and maintained by the Engineer continuously through whole Time for Completion. Unfortunately even nowadays in many cases lacks of Claim relevant and useful data to be used to avoid Contractor's Claims on Site, are missing or are uncompleted. In some cases it the real reason for lacks in agenda poor management on Client's side.

There can be no doubt that it is best if construction Claims can be settled amicably, often on compromise basis if necessary. If not, and if disputes develop, effort should be made to resolve them, perhaps by Alternative Dispute Resolution (ADR) measures.

7. Requirements on Contracting Authorities' Staff

Today's competitive demands require the Procurement Procedure to be accomplished in a capable and professional manner. A Contract can stand or fall on the expertise and performance of the Purchasing Manager or Buyer, who must always be striving to obtain Works and/or services at best overall value for money. Much more is involved than simply issuing requests for quotations, receiving bids and choosing the lowest as being the more appropriate.

Before the tender stage is reached, it is essential to have a Management Team in place to deal with the Tender Procedures, thus ensuring the legalities are observed and that ownership of the process is established. This is sometimes referred to as the Procurement Project Team.

It must be borne in mind that there is a risk element to the process and the team must, therefore, be knowledgeable enough to minimise that risk, accepting responsibility for it should the unforeseen occur, and be able to rectify the situation. On occasion Senior Management must be involved to ensure that

company strategy is not compromised. If the organisation making the purchase, that is the customer organisation, has not planned the utilisation of its resources properly and does not keep up with current trends in its specific industry, if it ignores the commercial and legal aspects of setting up a Contract, then the risk of failure or unplanned expenses will be greater.

The number of people involved in the process and their expertise will, of course, reflect the complexity of the project in hand at any specific time.

8. ToR and PCM cycle for Service Contracts

Developing the Terms of Reference

Main Consideration

The Terms of Reference (ToR) are the key document in the RFP. They explain the objectives, scope of Work, activities and tasks to be performed, respective responsibilities of the CA and Consultant, as well as expected results and deliverables of the assignment. An adequate and clear ToR is important for the understanding of the assignment and its correct execution. Drafting the ToR requires expertise with the type of assignment and needed resources as well as familiarity with the project background and knowledge of the CA's organisation. If the needed qualifications to produce the ToR are not available in-house, CA should hire a specialised independent Consultant.

Drafting the Terms of Reference

The following considerations must guide the preparation of the ToR:

- i) the ToR should contain sufficient background information on the project to enable Consultants to present responsive proposals;
- ii) the scope of Work in particular should be consistent with the available budget;
- iii) the ToR should take into account the organisation of the entity and its level of technical expertise and institutional strength.

Outline of the Terms of Reference

The ToR normally consists of:

1. Background of the project;
2. Objectives of the consulting assignment;
3. Scope of Work;
4. Transfer of knowledge;
5. List of reports, schedule of deliveries, and period of performance;
6. Data, local services, personnel and facilities to be provided by the CA.

1. Background of the Project

The background summarises the main features of the project and describes the assignment's objectives and general purpose. In particular, it should include:

- a) Name of the Contracting Authority;
- b) Rationale of the project;
- c) Need for Consultants in the project and issues to be resolved;
- d) Activities to be carried out;
- e) Supervision arrangements.

2. Objectives of the Consulting Assignment

The ToR should precisely describe the objectives and expected results, and should include:

- a) Design of project;
- b) Preparation of bidding documents;
- c) Supervision of works;
- d) Provision of training;
- e) Collection and analysis of data.

3. Scope of Work

The ToR should describe only the activities, not the approach or methodology. The scope of Work is defined by addressing the following:

- a) Definition, scope, limits and criteria of acceptance of the assignment;
- b) Level of detail;
- c) Main issues to be addressed;
- d) Special equipment requirements;
- e) Legal framework;
- f) Transfer of knowledge;
- g) Need for continuity;
- h) Quality management requirements (if needed).

4. Transfer of Knowledge

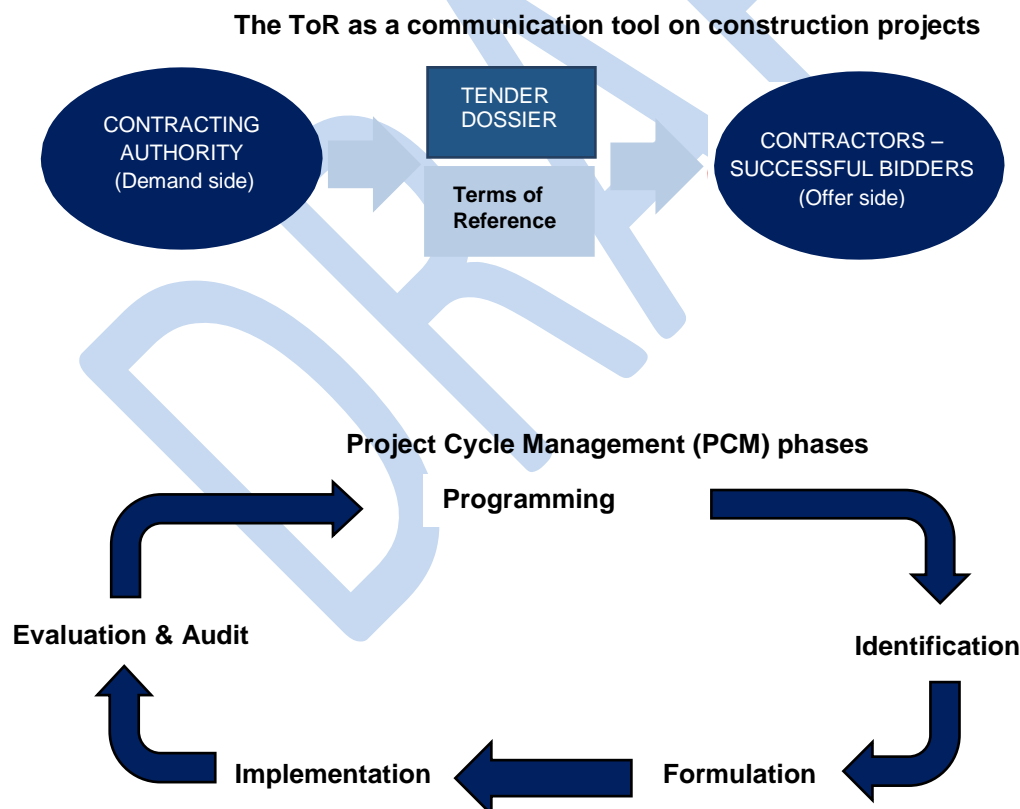
The ToR should provide specific details on the characteristics of the required services.

5. Reports and Schedule of Deliveries

The ToR should indicate the estimated duration of the assignment, from the date of commencement to the date the CA receives and accepts the Consultant's Final Report. The ToR should indicate the format, frequency and content of reports.

6. Data, Personnel and Facilities

The TOR may provide all the needed facilities (office space, vehicles, survey equipment, office and computer equipment, and telecommunication systems).



ToR information	EU PRAG ToR template
Context / Background to the assignment	1. BACKGROUND INFORMATION
Description of the assignment (Objectives and Results)	2. OBJECTIVE, PURPOSE & EXPECTED RESULTS
Context / Background to the assignment	3. ASSUMPTIONS & RISKS
Issues to be studied / Methodology	4. SCOPE OF THE WORK
Work plan and time schedule	5. LOGISTICS AND TIMING
Expertise required	6. REQUIREMENTS
Reporting requirements	7. REPORTS
Reporting requirements	8. MONITORING AND EVALUATION

Indicative Checklist for ToR (EC practice)

ToR element	Y / N	Comment
1. Background information		
Does the information in this sector provide you with an adequate understanding of the current project environment?		
Who are the partner institutions and beneficiaries which have an interest in the project?		
What are the key problems to be addressed by the project / assignment?		
What progress has been made or actions undertaken, if any, to date to try to improve the situation?		
Other related projects and donor activities?		
Project-related data, e.g. geographical data target groups, category of services to be rendered		
2. Description of the assignment		
Specific objectives:		
Does this section clearly and logically define:		
the overall project objectives and how they will contribute to achieving programme objectives?		
the purpose of the service / assignment and how it can contribute to improving the current situation?		
Results to be achieved by the Consultant		
Does this section contain quantified objectives?		
If so, is there a clear linkage between targets set and the quantification of objectives?		
What will be produced as a result of the tasks / activities undertaken by the Consultant?		
Can these outputs be verified and measured?		
3. Methodology		
Is detailed information provided with respect to:		
the methodology to be used and tasks to be undertaken?		
the responsibilities for the contract performance, finances, expenditures and reports and the method of co-operation between the contracting authority and contractor?		
the time schedule needed to implement the project?		
the duration of the assignment?		
the place(s) where the services are to be delivered?		

4. Expertise required		
Does this section provide adequately detailed information with respect to:		
Profile of the Consultants:		
the technical expertise required of key personnel?		
the minimum years of experience required for each?		
other qualifications (i.e. advanced university degree, languages, writing, analytical and inter-personal skills, etc)?		
Inputs by the Consultants:		
a clear specification of the work days required to complete the activities		
5. Reporting requirements		
Are all required reports specified, such as: inception report, progress reports, and final report?		
Other documents as may be required by the project (feasibility study, terms of reference, etc)		
6. Work plan and timetable		
Does this section provide adequately detailed information with regard to:		
a clearly set out and detailed list of tasks to be undertaken in order to reach the objectives of the project, and / or Consultant's job description?		
These should be listed in order of importance or in chronological order. If appropriate, the time schedule for completion of the various activities should be stipulated here.		
7. Services rendered by the organization		
Does this section provide information on:		
Facilities to be provided for the project:		
If facilities are to be provided by the Consultant, are these clearly defined and specified?		
Contribution of the recipient institution (i.e. office space, telephones, support Staff, etc)?		
Equipment:		
Information about equipment to be purchased (only if strictly necessary for the project)		
Incidental expenditure:		
Are incidental expenditures clearly specified and in accordance with the guidance notes provided by the EC interim template?		

9. Design Works

The Contract for Design Works will be performed under the conditions of EBRD (EC) for Services taking into accounts the specifics of the project of WWTP. The Contract and its Annexes will also cover a detailed description of Design Work in a form of ToR (planning, investigation, and conceptual design leading to the procurement), requirements of insurance, payment conditions etc. The low level of documentation with uncertain documents is also related to high risk of Tenderes during tendering procedure, which will be reflected in their bids.

To obtain the highest Basis of Value and proper selection of the Design Build team, selection criteria should include:

- full compliance with the procurement specification or tender;
- quality and track record of the total design-build team, including the design professionals;

- quality of planning and design - how well the project will work;
- quality and durability of materials offered;
- life-cycle costing;
- constructability.

10. Contract Supervision - Site Supervising

Continuous monitoring and auditing is required to supervise any construction Contract. This can be carried out by the CA, government agencies or Consultants appointed to supervise a Contract being funded by CA. For all but the former, the Consultant must in turn be monitored and audited to ensure compliance with the Contract and to encourage cost effectiveness and to avoid corruption.

Nature of the project, its scope and also specifics require the deployment of specialized engineering companies for supervision of the execution of Works on Site. Selecting Project Engineer under the EBRD or EC Conditions should meet the following criteria:

- the capacity / capability
- references of water sector
- international reference list
- insurance for Services
- ability to build an international team based on CA requirements, with the knowledge of FIDIC conditions (EC Conditions) and knowledge of English / Russian language.

Section III. - Tender Documents under EBRD procedures

1. EBRD Procurement Policy

The Procurement Policy Department of EBRD develops and updates procurement policies, rules and methods. It is also responsible for maintaining a procurement quality assurance system, reviewing complaints and publishing procurement information. **The Procurement Department** maintains international cooperation with other international financial institutions, undertakes policy dialogues with the Bank's Countries of Operations for the improvement of public procurement, builds institutional capacity of the institutions in the Bank's Countries of Operations and hosts conferences on project procurement topics.

The Standard Tender Documents (STD) has been prepared by the EBRD for use by the Bank's clients for the procurement of goods, works and services on Bank-financed projects and the FIDIC forms now cover a wide range of projects. Use of these STDs is **mandatory for open tendering and competitive selection procedures**. However the Bank is not a party to the Contract and does not accept legal responsibility for the adequacy of the Contract forms contained in these documents. **Clients are therefore advised to ensure that the Contract conditions are suitable and complete** in respect of any particular contract.

2. FIDIC Contract Conditions in EBRD financed projects

Knowledge of FIDIC conditions and tendering procedures should not be regarded as an essential post-contract project tool solely on FIDIC-projects but an essential commercial tool for use and of benefit company-wide from commencement of project procurement (in the case of Employers and their Consultants) or commencement of tendering (in the case of Contractors and Consultants).

In 1999 the FIDIC task group discarded the Red, Yellow and Orange Books for a completely new suite of Contracts, known colloquially as the "Rainbow Forms" comprising:

- The Red Book - Conditions of Contract for Construction;
- The Yellow Book - Conditions of Contract for Plant and Design-Build;
- The Silver Book - Conditions of Contract for EPC/ Turnkey projects;
- The Green Book - The Short Form of Contract.

The FIDIC forms can be applied to a wide range of differing engineering and construction projects; from traditional civil engineering to hi-tech process Plants. The description of the Works is contained in either the Specification (Red Book) or Employers Requirements (Yellow and Silver Books) and the roles and responsibilities of the parties and the Engineer/Employers Representative are contained in the conditions.

Employers may even benefit from proffering FIDIC conditions where potential bidders are from different countries and may perceive a familiar and more mutual (and possibly fairer than standard) form of Contract as increasing the attractiveness of tendering and reducing the potential contracting risks.

3. Methodology on Tender Documents prepared by NISPAcee

In accordance with the practice of tendering procedures used by the EBRD, NISPAcee prepared a complete Tender Documents (TD) for the sample project in Georgia with the name: "Rehabilitation and extension of existing Wastewater Treatment Plant in the County of Tbilisi."

The submitted Tender Documents for the Tendering Procedure for infrastructure municipality project will cover main complicated contractual documents of FIDIC Conditions for related projects - FIDIC P&DB Conditions in a version 1999. Elaborated and submitted documents contain a full range of Tendering Procedures and tailor-made documents including a list of recommended Annexes etc. for the award of Works, Services and Supervising in accordance with the methodology of EBRD, divided into:

- i) Design Works;
- ii) Supervising Works;
- iii) Construction Works.

A1. Tender Documents for Construction Works - EBRD Procedures

Following consequently procedures and a Standard Tender Documents of an EBRD a NISPAcee methodology is divided into following chapters:

- a. Volume I - The Tender
- b. Volume II - The Contract
- c. Volume III - The Requirements.

4. Invitation for Tenders

A fully separate type of a Document represents Invitation for Tenders which based on a Template of EBRD Standard Form to be used not only for Municipality Infrastructure Project. A Responsibility for a Document belongs fully to Contracting Authority; an advertisement of Invitation for Tenders will be made through a EBRD website, in some cases supported also through local media in the Country. General Description shall give basis information about a future investment project; the related basic data will be taken from a Design Works results.

How to prepare an Invitation for Tenders?

For Invitation for Tenders are more important a relevant data in a form of Employer's requirements regarding qualification of Tenderers. These cover a relevant data about a Tenderes for: average annual turnover, financial resources as well as specific experience with similar construction projects.

To set up appropriately amounts will be required, information and data about local companies as well as knowledge about construction business in the Country are essential.

An equal information and data as data stated in Standard Documents under a **Volume I. ii. - Tender Data** must be set up.

INVITATION FOR TENDERS Republic of Georgia

Rehabilitation and extension of WWTP, Georgia

This Invitation for Tenders follows the General Procurement Notice for this project which was published on the EBRD website, Procurement Notices (www.ebrd.com) on <dd/mm/yyyy>

United Water Supply Company of Georgia, 76b Vazha Pshavela Ave, 0186 Tbilisi, Georgia

hereinafter referred to as “the Employer”, intends using part of the proceeds of a loan from the European Bank for Reconstruction and Development (the Bank) towards the cost of **Tbilisi County Municipal Infrastructure**.

The Employer now invites sealed tenders from contractors for the following contract to be funded from part of the proceeds of the loan:

Rehabilitation and extension of WWTP, Georgia

General description

The project concerns water investments and has one basic component:

- Rehabilitation and extension of Wastewater Treatment Plant, Tbilisi County

A vast majority of the wastewater collected from < > is formed by sewage water, produced mainly in households. The project includes Design Works and Construction of Wastewater Treatment Plant (WWTP) in Tbilisi County. The wastewater is proposed for design capacity < > population equivalent as well as for distant future for < > population equivalent. The tender shall be resolved only Plant with a capacity of < > PE.

The proposed solution for wastewater plant of < >PE will be incorporated only into Wastewater Plant layout so as to make clear the location of each object in the future. The design of the Wastewater Treatment Plant for the town of < > is based on the nitrification and denitrification treatment processes with chemical precipitation of phosphorus.

The duration of required services and works will be < > days.

The price including VAT will be calculated on the basis of currently applicable rate. Taxpayer is Contracting Authority.

Tendering for contracts to be financed with the proceeds of a loan from the Bank is open to firms from all countries. The proceeds of the Bank's loan will not be used for the purpose of any 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.

To be qualified for the award of a contract, tenderers must satisfy the following minimum criteria:

a) **Average annual turnover.** The Tenderer (in case of a JVCA all Partners combined must meet requirement) shall have an average annual construction turnover (defined as billing for works in progress and completed) over the last **3 (three)** financial years of not less than **2,000,000.00 (two million) EURO** equivalent. In case of a JVCA all Partners combined shall have an average annual construction turnover (defined as billing for works in progress and completed) over the last **3 (three)** financial years of not less than **2,000,000.00 (two million) EURO** equivalent.

b) **Financial resources.** The Tenderer shall demonstrate that it has access to, or has available, liquid assets, unencumbered real assets, lines of credit, and other financial means sufficient to meet the construction cash flow for the contract for a period of **4 (four)** months, estimated as not less than

500,000.00 (five hundred thousand) EURO equivalent, taking into account the applicant's commitments for other contracts.

Total requested credit facilities must meet following criteria:

- for a Single Entity 500,000.00 EURO
- for JVCA
 - o Partner of a JVCA min. 15%
 - o Leading Partner of a JVCA min. 40% .

c) **Specific experience.** The Tenderer (in case of a JVCA all Partners combined) shall demonstrate that it has successful experience as prime contractor in the execution of at least **2 (two)** projects of Design and execution of Construction of Wastewater Treatment Plant of a nature and complexity comparable to the proposed Contract (each for min. PE) that have been successfully and substantially completed within the last **5 (five)** years prior to the tender submission deadline, each with a value of at least **1,500,000.00 (one million five hundred thousand) EURO** (excluding VAT). The similarity shall be based on the physical size, complexity, methods/technology or other characteristics as described below.

Leading Partner of JVCA shall provide min. 40 % of Accepted Contract Amount, each Partner of JVCA min. 15 % of Accepted Contract Amount.

The Tenderer must demonstrate that works and supplies have been done directly by him in position of prime contractor or Leading Partner of JVCA.

Tender documents may be obtained from the office at the address below upon payment of a non-refundable fee of **150 EURO**.

Please make a payment to the following bank account number: < >

Upon receipt of appropriate evidence of payment of the non-refundable fee, the documents will promptly be dispatched; however, no liability can be accepted for their loss or late delivery.

All tenders must be accompanied by a tender security of < > **EURO**.

Tenders must be delivered to the office at the address below on or before < > on < >, at which time they will be opened in the presence of those tenderers' representatives who choose to attend.

A register of potential tenderers who have purchased the tender documents may be inspected at the address below.

Prospective tenderers may obtain further information from, and inspect and acquire the tender documents at, the following office:

Contact name: Mr. < >

Employer: United Water Supply Company of Georgia

Address: 76b Vazha Pshavela Ave, 0186 Tbilisi, Georgia

Tel: < >

Email: < >

Date: < >

5. Project Cost Estimation

A Project Cost Estimation is a part of pre-construction activities jointed with a calculation of NPV (ROI) of related project. Base on this methodology primarily cost estimation for all activities related with investment project must be provided divided into hard cost (Works) and soft cost (Sevices).

A table below present estimation for all Tendering Procedures will be put into a Tender Documents. A main rule is that the figures for cost estimation will be in proportion to qualification criteria for Works as well as for Services.

Criterion for Tender Documentation WWTP

Pos.	Scope of Works	Estimated Contract Value EUR	Tender Security	Qualification criteria	Notice
1.	Works	<estimated value>	Pg. .. <amount>	Pg. ... - financial resources ... EUR Pg. - projects, each ... EUR Pg. ... - average annual turnover EUR Pg. - Contractor's equipment	
2.	Design Works	<estimated value>	Pg. .. <amount>	Pg. - financial resources EUR Pg. - ... projects, each EUR Pg. ... - average annual turnover ... EUR	
3.	Supervising (FIDIC Engineer)	<estimated value>	Pg. .. <amount>	Pg. - financial resources EUR Pg. - ... projects, eachEUR Pg. ... - average annual turnover ... EUR	

6. Volume I - the Tender

Instructions to Tenderers

Sub-Articles Tender Documents through Tender Opening and Evaluation till Award of Contract represent Standard Tender Documents of EBRD for tendering procedures for all from the Bank co-financed projects. These contents general as well as specific data for Tenderers to prepare Tender Submissions with all related and jointed Documents forming parts of their Bids.

Tender Data

Volume with Tender Data contents relevant information primarily about financial performance of Tenderer or JVCA-if any, financial resources and general and specific experience as well as data about Contractor's Personnel and Equipment.

Criterion will be prepared by Contracting Authority taking specific local conditions in Georgia into consideration first of all based on overview about the construction market and related references of Tenderers in the country. The CA must set appropriate level for related data. Pre-tender meeting or Site visit under the para 5. shall avoid subsequently Claims of Contractors after the Contract Award. Required Attachments having Form ELI, CON, FIN and EXP shall be set up by the Contracting Authority.

Other documentation under the para 10. represents Attachment 2 - Preliminary Programme and Attachment 3 - Other Information shall be set up together with Design Company

Regarding a currency (Conversion to single currency) under the Volume I. - Tender to be used for an application on EBRD projects belongs strictly to Bank requirements: if a finance sources will be from

EBRD, mainly the payments as well as all related Tender Standard Documents required this currency. However for other Donors and USD basis could be required.

A Bank Standard Tender Documents define contractual parties as an Employer and Contractor following consequently FIDIC family Contract Conditions. Terms in a part Tender Data as well as in other parts of a TD corresponds with Contract Conditions.

It means that however a practice in Georgia knows “Contracting Authority” as one contractual party, the FIDIC Conditions must be follow up.

Documents with a names: Requirements and Technical Specifications shall be prepared by Contracting Authority base on a separate contractual relationship with a Design Company. These documents will be an integrated part of a TD, due to a specific project conditions for a different type of Municipal infrastructure project.

A “technical part” of each TD (covering TS, Drawings, BoQ etc.) shall be prepared for each refurbished WWTP separately therefore it is not possible to prepare this ER (Employer Requirements) in advance.

Tender Form

A document under the Volume I.iii has a form of bank template to be presented by Tenderer as a part of his Bids without any modifications in wording.

Tender Security Form

For Tender Security Form under Volume I.v. a bank template shall be used, the document will be a part of Bids without any modification or alternation.

Manufacturer Authorisation Form

A document shall be used in a Template form with confirmation of Manufacturer of certain main products - in a case of rehabilitation Works for technology parts of WWTP.

Letter of Acceptance

With Letter of Acceptance under the annexed Template the Contracting Authority will confirm the acceptance of Bids to Tenderers.

Price Schedules

Price Schedules under Volume I.iv. could based on different type of prices and therefore vary. An important part of Schedules is a Preamble which describe in details structure of prices and Price Schedules in a form of explanation of BoQ and related schedules. Document Prices Schedules will be prepared externally by Design Company and after cross checking with drawings will be integrated into Tender Documents.

Schedule of supplementary information

Schedule consists of already described Attachments 1 and Attachment 2, extended about Attachment 3 with other information about relevant Tender Data. These have a form of Templates of Proposed Subcontractors, Proposed Insurers as well as data about Proposed Bank which will issue Performance Securities. All Templates belong to responsibility of Contracting Authority to fill in relevant data for tender procedure.

Annexes/Appendixes to Contracts and how to use them

It is to be distinguished from other Appendixes to a Contract which may contain additional terms, specifications, provisions, standard forms or other information which have been separated out from the main body of the Contract.

These are: an **Appendix** (general term) and an **Annex** (which includes information, usually large texts or tables, which are independent stand-alone Works which have been included in the Contract, or a large excerpt from a book).

Finally in construction practice of EBRD as well in EC Contracts an Annex and an Appendix are both forms of Addendums to a main related document - a Contract.

Schedules generally refer to materials that shall be in the Contract but are instead moved to the end usually due to their length in an effort to achieve clarity and brevity in the Contract. For this reason schedules, documents, Technical Specifications, drawings are often considered to be part of the Contract and are required to be separately signed by both parties.

Relation of Annexes/Appendixes to the Contract

An Annex or Appendix cannot be submitted without the main document - a Contract. The main aim of both types is to add greater details, visuals and examples for better understanding of the main document - Contract and to allow better Work with them directly on Site - without having continuously eye on the Contract.

Without further explanation, Annexes or Appendixes may be deemed to form an integral part of the obligations of either or both parties. Obviously, the scope or binding nature of both types of Documents depends on the way it is referred to in the obligatory language of the Contract.

Authors of an Annexes/Appendixes

Appendixes are usually written by original authors or can be written by outside party. In a complex projects some of the Annexes are prepared and submitted externally - therefore a detail List of Annexes/Appendixes is strongly recommended to follow up the whole procedure. It is strongly recommended to establish a standard phrase to refer to a schedule, as part of the Contracting Authority's Contract drafting conventions.

7. Volume II - The Contract

General Conditions of Contract

The Conditions of Contract for Plant and Design-Build: **General Conditions of Contract for electrical and mechanical Plant, and Building and Engineering Works, designed by the Contractor**, Part A shall be those forming Volume II. i of the "Conditions of Contract for Construction", 1st edition 1999 prepared by the *Fédération Internationale des Ingénieurs-Conseils* (FIDIC).

Due to a copyright Law of all related FIDIC Documents only the resource of the place where the FIDIC Contract Conditions can be obtained is given.

Particular Conditions of Contract

PCC has a 2 parts: Particular Conditions I. and Particular Conditions II. The Particular Conditions I. has a form of a "Short Particular Conditions" with simply overview about related changes and modifications to General Contract Conditions as Appendix to Tender under Volume II. iii of TD.

These Conditions are subject to the variations and additions set out in Volume II. ii hereof entitled "Part B: Particular Conditions of Contract" (PCC).

This part of TD shall be revising before preparing a last version of Tender Documents by Georgian Lawyer to incorporate a last version of related Laws and by-Laws into the Documents due to a fact that FIDIC Conditions based on British precedential Law.

Any other specific conditions must be subsequently incorporated into the PCC by the Contracting Authority - especially any changes under the Clause 5. - Design if an Employer for Design Works Requirements will be changed. This situation may occur in connection with a different Scope of Services in a form of Design Works will be prepared by Design Company based on a separate Tendering Procedure under the TD for Design Works.

Base on previous experience of Main Expert with infrastructure municipal water projects the significant experience related WWTP project were already incorporated into the PCC in Clauses and Sub-Clauses as well in related Annexes to the Contract.

Contract Agreement

Contract Agreement under a Volume II. iv. represents a typical short version of Construction Contract under the FIDIC P&DB Conditions. An important part of the Contract represents Clause 2. describing related Contract Documents. Contract Agreement has a form of Template from EBRD following sample Contract under a FIDIC Contract Conditions.

Due to a variety of possible Appendixes to a Contract, “typical Appendixes” for WWTP project were chosen in a form of Appendix 1. - Appendix 7 (8). Recommended “full version” of Appendixes in a form of table is presented below in a Sub-Article Appendixes.

Appendixes

Appendix 1. - Payment Conditions for IPC and FPC

An Appendix presents a full modality of payments divided into construction, Plant equipment and transport cost. An Appendix might to by modify based on concretely situation and Scope of required Works.

A simply version of IPC and FPC shall delete transport cost, installation and set up payments based on progress of construction Works - not divided into Plant and construction.

Appendix 2. - Price Adjustment

A Price Adjustment Appendix under the Volume II. Vi. or Sub-Clause will be used for a construction projects with a long Time for Completion (more than 3 years) or for a projects with a high volume of several construction materials. However the Employers doesn't use very often this Sub-Clause for simpler projects to avoid a possibility of Contract Price increasing after Contract Award. For WWTP sample project the prices will remain fir and fix for the entire duration of the Contract.

Appendix 3. - Insurance Requirements

Related Appendix divide a Contractor's insurance into Cargo Insurance, Installation Insurance, Third Party Liability Insurance and Professional Indemnity Insurance for Design Works. The last one is due to a fact, that General Contractor shall provide also a Design Works under the Clause 5. [Design] under P&DB FIDIC Conditions. A proportionality of Insurance related with a Scope of Works must be taken into consideration - higher Insurance cover will cost more money to be paid by Contracting Authority.

Appendix 4. - Time Schedule

A Time Schedule (Time Programme) is presented only in a form of Basic Data for main activities of Contractor on Site as well as pre-construction activities in a form of Design Works. The data according to Appendix 4. are only indicative showing the period from the Effective Contract Date without overlapping of any activities.

However under the Sub-Clause 8.3. of Contract Conditions remains an obligation of Contractor to submit to the Contracting Authority the Contract Master Schedule (CMS) package for the Approval. This shall base on a computerized logic network and shall be prepared according to the Critical Path Method (CPM).

Appendix 5. - List of Subcontractors for Works

A Template of EBRD Standard Documents will be used; the main purpose of a Document is to avoid replacement of Subcontractors during of Time for Completion after Contract Award. The subsequently procedures regarding replacement of Subcontractors are listed under the Sub-Clause 4.4. [Subcontractors]. However any changes in the List must be approved by Contracting Authority.

Appendix 6. - List of Subcontractors for Design Works

A Template of EBRD Standard Documents will be used; the procedures will follow a previous Appendix 5. for a Works.

Appendix 7. - Scope of Works and Supply by the Employer

In some cases also an Employer has an obligation to delivery Works, Services or Supply for the related project. However for WWTP there is **no** personnel, Facilities, works, equipment, materials and supplies will be provided/supplied by the Employer due to provision of GC 4.20 [Employer's Equipment and Free-Issue Materials] of Contract.

In some cases Site Yard Facilities for Site Supervising will be provide by the Employer during Time for Completion.

Appendix 8. - List of Document for Approval and Review

This document base on previous experience and practice from infrastructure projects and **belongs not to FIDIC or EBRD Standard Documents**. The main advantage of Document and support of Staff on Site is a simple control of all related Documents will be prepared by Contractor for a control of Site Supervisor.

Related Clauses and Sub-Clauses are listed in a Document as well as a formats and copies of Documents to be presented.

Appendix 9. - Operation and Maintenance Manual

To ensure a long-life operation regularly maintenance shall be provide on WWTP after handing-over to Employer. Requirements on M&OM under a Volume II. xiii. describe in details and structure the Document with relevant details on M&OM.

A prime purpose of Manuals is to describe the best means to maximize equipment operational availability, while minimizing equipment downtime. The Document will be used later on by an Operator of the WWTP.

Appendix 10. - Performance Security Form

Performance Security Form as a Template of the EBRD under a Volume II. xiv. shall be fill in from Tenderers and his Banks.

Appendix 9. - Bank Guarantee Form for Advance Payment

A Template form of the EBRD will be used in some cases where a Bank Guarantee for Advance Payment will be apply.

Appendix 12. - Form of Completion Certificate

A Completion Certificate based on Sub-Clause 10.3 [Interference with Tests on Completion] of GCC belongs to Template of EBRD as a Standard Document.

8. Volume III - The Requirements

A fully separate package of requirements plays an important role in a Tender Documents - Employer's Requirements (ER) which has a high importance. Especially in FIDIC P&DB Contracts represents this part a key document with directly influence on success of the project.

Also a future possible Contractor's Claims (Variation Orders-VO) has roots in insufficient descriptions, uncompleted technical specifications, errors, omissions, inaccuracies and discrepancies in drawings, BoQ or documents of required Works and Services.

The Employer's Requirements are mainly divided into following logical parts in a form of:

- i) Technical Specifications and Standards;
- ii) Drawings;
- iii) Bill of Quantities.

Not only for EBRD co-financed construction projects belongs ER all to responsibility of Employer, however due to a FIDIC Contract Conditions the risk for the TD could be transferred to Designer. Due to specific conditions this part of the TD **will be not prepared by NISPAcee** and belongs fully to responsibility of the Contracting Authority based on a separate Tendering Procedure for which the Tender Documents on Design Works will be fully applicable. Specifics of the existing Plants to be refurbished shall be incorporated into **Specific Contract Conditions** as well as into related **ToR for Design Works**.

Section IV. - Tender Documents under EC procedures

B1. Tender Documents for Construction Works - EC Procedures

Following consequently procedures and a Standard Tender Documents of an EC a NISPAcee methodology is divided into following chapters:

- i) Volume I - The Tender
- ii) Volume II - The Contract
- iii) Volume III - The Technical Specifications
- iv) Volume IV - The Financial Bid Templates
- v) Volume V - Design Documents, including Drawings

General

Comparing the Standard Tender Documents of EBRD and EC Standard Procedures there are differences joined primarily with several financial resources and modalities for financing for EC projects.

Therefore EC Standard Documents offers possibilities for financing either from EC Budget or EDF projects. Based on different resources and different Contracting Authorities prepared and submitted documents offer more possibilities and variety.

As a relevant support to all EC Tendering Procedures is PRAG (Practical Guide) for EC financed investment projects with a lot of useful remarks and notices or preparing Standard Tender Documents.

1. Volume I - The Tender

Instructions to Tenderers

Instruction to Tenderers represents a template with modalities for EC projects as well as from EDF financed projects. From financial point of view and subsequently payment, the Tender Documents offer either Lump-sum price or prices based on Breakdown of Prices in a form of BoQ for unit price Contracts. However the financial criteria as well as professional and technical criteria must be set up by Contracting Authority.

Tender Form

A Tender Form under the Volume I, has a form of EC Template to be use as a Standard Document for submitting Tenders to Contracting Authority under the related procedure. Appendix to Tender will be prepared by Contracting Authority as a part of Tender Documents.

Tender Guarantee Form

A Tender Guarantee Form under the Volume I, Section 3 has a form of Template shall be prepared by Tenderer and his Bank financing the Project.

Generally all projects co-financed from an EC and/or EDF sources required EUR as a common currency. Due to a fact that NISPAcee Standard Tender Documents works with EC practice, the currency and subsequently payments in EUR will be required. However for another Donors and/or projects also other currencies or mixed ratio EURO/local currency could be fixed.

Tender Guarantee represents a common practice for EC as well as for EBRD financed projects. Mainly a Bank Guarantee in a form under the Volume 1, Section 3 represents practice for municipality projects under EC. An EC rules has a priority.

However a most common practice in Georgia is a Performance Guarantee in amount of 5 % during a Defect Liability Period there is different practice for EBRD as well as for EC based municipality projects. Consequently 10 % of Retention Money is required from each IPC whereas 5 % shall be released after Taking-over Procedure a 5 % of amount remains for a Defect Liability Period as a Performance Guarantee.

Questionnaire

A main aim of a Questionnaire is to collect a relevant data about each Tenderer under a CA's Template. The whole Document is divided into Sub-Documents 4.1. to 4.6. as a EC Template with relevant comments for Tenderers.

On the other hand a CA shall have a sufficient capacity in a form of well- educated Staff to provide assessment and evaluation of all submitted Documents from Tenderers. In a Table Financial Statement the Tenderer will fill in relevant data about his financial situation in a period - 3 years.

A Table with Financial identification will help the CA to have an overview about the financial status of each Tenderer.

Glossary

A Table Glossary represents a Standard Tender Documents of EC based projects with explanations of words and expressions to be used for a TD.

Technical qualifications

A related Tables shall be fill in from each Tenderer showing his capacity and Staff as well as a Staff to be employed on the Contract WWTP taking specific conditions into consideration. Required CV corresponds to format and practice in EC for CV of each member of team for a Project.

A Work Plan and Programme under a Form 4.6.3. has a simple form of Basic Data for main activities of Contractor on Site as well as pre-construction activities in a form of Design Works. The data according to Work Plan are only indicative showing the periods from the Effective Contract Date without overlapping of any activities.

However under the Article 17. [Programme of implementation of tasks] of Contract Conditions remains an obligation of the Contractor to submit to the Contracting Authority the Contract Master Schedule (CMS) package for the Approval. This shall base on a computerized logic network and shall be prepared according to the Critical Path Method (CPM).

Requirements on Subcontractors shall be added to Template - Form 4.6.3.4. A main purpose of a Document is to avoid replacement of Subcontractors during of Time for Completion after Contract Award. The subsequently procedures regarding replacement of Subcontractors are listed under the Article 7.9 [Subcontracting]. Never less any changes in the List must be approved by Contracting Authority.

Experience as a Contractor will be required under a Form 4.6.4 in a Section 4 of the TD. For partnerships in a form of a Joint-ventures - if any Form 4.6.5. shall be submitted by a Tenderer. A Form 4.6.8. represents a Site Yard Facilities to be prepared for Site Supervisor from a Contractor describing in a relevant scope and details office spaces and its equipment on Site.

A List of Documents for Approval or Review in a Form 4.6.9 base on previous experience and practice from infrastructure projects and **belongs not to EC Standard Documents**. The main advantage of Document and support of Staff on Site is a simple control of all related Documents will be prepared by Contractor for a control of Site Supervisor.

Related Articles and Sub-Articles are listed in a Document as well as a formats and copies of Documents to be presented.

1. Volume II - The Contract

A Contract Form under the Volume 2, Section 1. is submitted in a EC Template form as a Works Contract for European Union External Actions. A Sub-Article (2) must be taken into consideration especially due to priority of Documents will be used as a parts of Contract. A Standard Priority is submitted in an EC Template, all related Appendixes must be collected and added. A Contract Form represents a typical short version of Construction Contract to be used also under the FIDIC P&DB Conditions.

Due to a variety of possible Appendixes to a Contract, “typical Appendixes” for WWTP project were chosen in a form of Appendix 1. - Appendix 7 (8). Recommended “full version” of Appendixes in a form of table is presented below in a Sub-Article Appendixes to Contracts - divided into Works and Services.

Special Conditions

Special Conditions (SC) under the Volume 2, Section 3. shall reflect all project specifics taking local conditions into consideration. Following consequently the same principles as used for FIDIC P&DB Contracts, the Contractor shall be responsible also for related Design Works.

This part of TD shall be revising before preparing a last version of Tender Documents by Georgian Lawyer to incorporate a last version of related Laws and by-Laws into the Documents due to a fact that Special Conditions as well as General Conditions based on another Law.

Any other specific conditions must be subsequently incorporated into the Special Conditions by the Contracting Authority - especially any changes under the Article 12c. [Design and build Contracts] if an CA's requirements for Design Works will be changed. This situation may occur in connection with a different Scope of Services in a form of Design Works will be prepared by Design Company based on a separate Tendering Procedure under the TD for Design Works.

Base on previous experience of Main Expert with infrastructure municipal water projects the significant experience related WWTP project were already incorporated into the SC in Articles and Sub-Articles as well in related Appendixes to the Contract.

General Contract Conditions

For a General Contract Conditions (GCC) Conditions for Works Contracts financed by the European Development Fund (EDF) or the European Union under the Volume 2, Section 2 shall be those forming Volume II. of the GCC.

Due to a copyright Law and to provide a TD shorter only the resource of the place where the EC General Contract Conditions can be obtained is given.

Specimen Pre-financing Payment Guarantee

A Template form under Volume 2, Section 5 of the EC projects will be used in some cases where a Bank Guarantee for Pre-financing Payment will be apply.

Specimen Performance Guarantee

A Performance Guarantee Form as a Template of the EC projects under a Volume 2, Section 4 shall be fill in from Tenderers and his Banks.

Specimen Retention Guarantee

A Retention Guarantee Form as a Template of the EC projects under a Volume 2, Section 6 shall be filling in from Tenderers and his Banks.

Tax and Customs arrangements

A Tax and Customs requirements under the Template of EC shall be apply only for EDF financed projects. A Document has a form of Template form EC.

2. Volume III - The Technical Specifications

Technical Specifications under a Volume III. belongs fully to responsibility of the Contracting Authority. The TS will be taken back-to-back from Design Company based on a separate Contract Agreement.

3. Volume IV - The Financial Bid Templates Financial Bid Templates

A Financial Bid Templates cover more possibilities for TD based on a separate methodology for prices: either lump-sum Contracts (Volume 4.2.1) or Contracts with price Break-down - with BoQ (Volume 4.2.2. and 4.2.3.) will be apply. The decision regarding a proper type of pricing must be made from Contracting Authority due a character of project and investment. .

4. Volume V - Design Documents, including Drawings

A fully separate package of requirements plays an important role in a Tender Documents - Employer's Requirements (ER) which has a high importance.

Especially in Design-Build Contracts represents this part a key Document with directly influence on success of the project. Also a future possible Contractor's Claims (Variation Orders-VO) has roots in insufficient descriptions, uncompleted technical specifications, errors, omissions, inaccuracies and discrepancies in drawings, BoQ or documents of required Works and Services.

Due to project specific conditions this part of the TD **will be not prepared by NISPAcee** and belongs fully to responsibility of the Contracting Authority. The Documents will be taken back-to-back from Design Company based on a separate Tendering Procedure and Contract Agreement.

Specifics of the existing Plants to be refurbished shall be incorporated into **Special Contract Conditions** as well as into related **ToR for Design Works**.

B2. Tender Documents for Design Works - EC Procedures

Following consequently procedures and a Standard Tender Documents of an EC a NISPAcee methodology is divided into chapters as stated in a Table of Contents with relevant Annexes.

General

Comparing the Standard Tender Documents of EBRD and EC Standard Procedures there are differences also for Design Works joined primarily with several financial resources and modalities for financing for EC projects.

Therefore EC Standard Documents offers possibilities for financing either from EC Budget or EDF projects resources. Based on a possible different resources and different Contracting Authorities prepared and submitted documents offer more possibilities and variety.

As a relevant support to all EC Tendering Procedures is common used PRAG (Practical Guide) for EC financed investment projects with a lot of useful remarks and notices or preparing Standard Tender Documents.

The procedure shall base on two-stage Tendering Procedure (see a part Section II. - Theoretical framework in Tendering Procedures) with shortlisting of Tenderers.

Design Works

Tender Documents for Design Works will cover the same situation - Designer will prepare As-built drawings of an existing WWTP and proposal for an extension and refurbishment of the WWTP. Tender Documents will be presented with tailor-made templates to be used by Municipalities also for Supervising of Construction Works. For supervising activities also a Standard Tender Documents of EC will be used.

Remarks and amendments to Tender Documents from local NALAG Experts were incorporated into this guidance and methodology of Documents.

Each of a presented Tender Documents consists of more packages based on different methodology of Tender incorporated: Call for Tender, Tender Data, Tender Security Form, Price Schedules Documents, Contract in a form of General Conditions, Specific Conditions, Appendix to Tender, as well as different templates for Guarantees, List of Subcontractors etc. **however dividing into any Volumes in EC Documents - for better overview and to work with - is missing.**

Service Prior Information Notice, Service Contract Notice

The Document has a form of a Template with standard basic information about the related project. Responsibility for a document and complying with a Standard Tender Documents under the EC financed project belongs to a Contracting Authority. Only a few data will be prepared in collaboration with other entities (cost estimation, scope of required Services, selection and award criteria). A Template for Application for a Service Contract shall be prepared also by the Contracting Authority.

Shorlist Report

A Document will be prepared by the Contracting Authority base on Tendering Procedure, a Template belongs to Standard EC Documents. The whole procedure start with a longlist, the Observers provide assessment of Tenders who apply for a related project. The Evaluation Committee identified all applications which were received before the deadline, were administratively compliant, were from natural or legal persons with eligible nationalities and included declarations from the leader and all consortium members (if any), as recorded in the attached Long list. All members of the Evaluation Committee and any observers signed Declarations of Impartiality and Confidentiality, which are attached to the Report. A result of Report is a List of Shorlisted Candidates in a form of Service Contract Shorlist Notice prepared by a CA as well as a List to No-Shorlisted Candidates.

Invitation to Tender

An Invitation to tender will be prepared under a Template by a Contracting Authority a send only to Shorlisted Candidates. Instructions to tenderers which are a min part of Invitation consist of following documents:

Draft Contract Agreement and Special Conditions with annexes:

- I. General Conditions for service contracts
- II. Terms of Reference
- III. Organisation and Methodology (to be submitted by the tenderer using the template provided)
- IV. Key experts (including templates for the summary list of key experts and their CVs) (For contracts requiring key experts)
- V. Budget (to be submitted by the tenderer as the Financial offer using the template provided)
- VI. Forms and other supporting documents
- VII. Expenditure verification: Terms of Reference and Report of Factual Findings
(please delete for global price contracts)

Other information:

- I. Shortlist notice
- II. Administrative compliance grid
- III. Evaluation grid

Tender submission form

Instructions to Tenderers

Generally the services required by the Contracting Authority are described in the Terms of Reference - ToR. They are set out in Annex II to the draft contract, which forms Part B of a Tender Dossier. This part of a TD base on EC Template for Services and it is a same one as to be used subsequently for a Site Supervising. This part is generally divided into:

- i) Technical offer
- ii) Financial offer

of a Submission including instructions how to complete a spreadsheet of a Tender taking variation solutions - if any in consideration. A possibility for additional information before the deadline for submitting tenders works with 4 alternatives due to specific conditions. In some certain cases also an interview with Tenderer is possible. The best value for money is established by weighing technical quality against price on an 80/20 basis under an Article 12.3. In some cases also a cancellation of a Tender Procedure may apply under an Article 15.

Service Contract

A Service Contract follow up principles of a “Short Contract” based on a British Common Law including order of precedence of Contract documents. This shall follow up also related Annexes to the Contract.

Special Conditions

A Special Conditions represents one of the part of Tender Documents will be prepared by a Contracting Authority. In many cases also external Lawyer’s support is essential due to a fact that Contract and Contract Conditions shall mirror a local Laws, Decreases and by-Laws in Georgia. Therefore this part of TD shall be revising before preparing a last version of Tender Documents by Georgian Lawyer to incorporate a last version of related Laws into the Documents due to a fact that Special Conditions as well as General Conditions based on another Law.

Base on previous experience of Main Expert with infrastructure municipal water projects the significant experience related WWTP project were already incorporated into the SC in Articles and Sub-Articles as well in related Annexes to the Contract. Any other Specific Conditions must be subsequently incorporated into the Special Conditions by the Contracting Authority.

General Contract Conditions

For a General Conditions (GC) for Service Contracts for external actions financed by the European Union or by the Development Fund (EDF) shall be those forming Annex I. of the GSC. These Conditions consists of 42 Articles which must remain without any changes or amendments.

Annexes to Service Contract

All relevant Annexes to a TD shall be prepared by a Contracting Authority as a part of Tender Documents. As main Annexes to a Sample Contract shall be used following Annexes:

Annex VII. - List of Subcontractors for Design Works

In accordance with Article 4. [Subcontracting], the Contractor is free to submit proposals for Subcontractors for additional items from time to time. A Template from a EBRD Standard Documents will be used; the procedures will follow a previous Appendix 5. for a Works. Any changes in a List shall be approved by the Contracting Authority.

Annex VIII. - Site Inspection Protocol

By signing of the Site Inspection Protocol protocol in a form and manner stated in a separate Annex (Site Inspection Protocol) the Contractor confirms that he received all necessary information concerning risks, unforeseen and all other circumstances which can affect the cost or terms of Services performance, surveyed and studied Works Site or Services venue and the territories adjoining to it and found a place of Services suitable for performance according to the present Contract. Signature of Site Inspection Protocol shall avoid subsequently Variation Orders (VO) to existing signed Contract.

Annex IX. - List of Documents for Approval or Review

This document base on previous experience and practice from infrastructure projects and **belongs neither to FIDIC, EC nor EBRD Standard Documents**. The main advantage of Document and support of Staff on Site is a simple control of all related Documents will be prepared by a Contractor for a control of Site Supervisor.

Related Clauses and Sub-Clauses are listed in a Document as well as a formats and copies of related Documents to be presented.

Annex X. - Site Yard Facilities for CA's purpose (office accomodatio)

The Contracting Authority must ensure that Experts of Contractor are adequately supported and equipped. In particular it must ensure that there is sufficient administrative, secretarial and interpreting provision to enable Experts to concentrate on their primary responsibilities.

In some cases therefore Site Yard Facilities for Site Supervising will be provide by Contracting Authority during Time for Completion. A CA shall ensure to Contractor appropriately Site Facilities directly on Site - if required.

ANNEX II: Terms of Reference - Free based

An ToR base on modalities for:

- i) Free bases ToR
- ii) Global Fee ToR.

The Contractor's activities are generally in both cases divided into following tasks:

- i) Design Works under the relevant Articles of Contract;
- ii) survey Works and geological, hydro-geological and geotechnical investigation;
- iii) reporting.

Key Expert and non Key Experts

The Contractor shall conscientiously fulfil, to the highest professional standards, the role of the delegated powers by the Contracting Authority's Representative to provide Design Works and to ensure that they are executed in accordance with the Conditions of Contract, Contracting Authority's requirements, Specifications and any amendments thereto; and to ensure that so far as is reasonably possible, within the Contract Price and Contract Period allowed under the Contract or any agreed amendments thereto.

Especially focused shall be requirements on Contractor's Staff, especially on Key Experts. The skills required may include professional and technical skills, team management skills, communication and facilitation skills, and/or language skills. The criteria however should be as broad as possible. Quantifiable criteria should be drafted with vigilance.

Non key Experts and support Staff is also a significant part of TD, however CVs for non key Experts should not be submitted in the tender but the tenderer will have to demonstrate in their offer that they have access to Experts with the required profiles.

Requirements on 4 Key Experts are already incorporated into a sample document. A methodology how to prepare ToR due to requirements with all relevant details and scope of required Services is to be found under a Section II. - Theoretical framework in Tendering Procedures.

Incidental expenditure

The provision for incidental expenditure covers ancillary and exceptional eligible expenditure incurred under a Service Contract. It cannot be used for costs that should be covered by the Contractor as part of its fee rates, as defined above. Its use is governed by the provisions in the General Conditions and the notes in Annex V to the Contract.

Reporting requirements

They Reports must be provided along with the corresponding invoice, the financial report and an expenditure verification report defined in Article 28 of the General Conditions. Scope of Reports and requirement how to prepare and submit them are defined in Article Reporting Requirements.

Each report must consist of a narrative section and a financial section. The financial section must contain details of the time inputs of the experts, incidental expenditure and expenditure verification.

Monitoring and Evaluation

Specific performance measures chosen because they provide valid, useful, practical and comparable measures of progress towards achieving expected results shall be prescribed from CA - if any. Generally these could be quantitative: measures of quantity, including statistical statements; or qualitative: judgements and perception derived from subjective analysis.

ANNEX II.: Terms of Reference - Global

To prepare a relevant Terms of Reference (ToR) on Design Works as an alternative solution to ToR - free based belongs fully to a Contracting Authority. The same principles and structure will be used, the differences are only in:

- i) Type of reimbursement of cost (lump sum or fee based)
- ii) Related reporting in connection with payments.

A remaining Articles, CA requirements, structure etc are the same one for both types of Annexes II.

Annex II. - Terms of Reference (ToR) on Design Works - detail description

Detail and sufficient descriptions plays a key role in Tender Documents to ensure qualify tender bids during a Tendering Procedure and subsequently execution of Works directly on construction Site. A high attention must be therefore given to prepare relevant description of required Services taking local conditions into consideration.

A detail description of required Services is therefore a part of Standard Tender Documents.

Annex III. - Organisation & Methodology form Template

A Template shall be prepared by a Tenderer whereas required informations are divided into following chapters:

- Rationale
- Strategy
- Backstopping
- Involvement of all Members of Consortium
- Timetable of Work
- Logframe.

Any comments in a form of outlines to a Terms of Reference for the successful execution of activities, in particular regarding the objectives and expected results, thus demonstrating the degree of understanding of the contract shall mirror Tenderer's experience from a past.

Tenderer's opinion on the key issues related to the achievement of the Contract objectives and expected results. A list of the proposed tasks a Tenderer consider necessary to achieve the Contract objectives shall be a part of Annex III.

Annex IV. - Key Experts

A Template shall be prepared by a Tenderer whereas informations in a form of CV are required. The Template corresponds fully with EC practice regarding a form as well as a structure.

Budget Fee

A structure and template is covering both possibilities regarding payments for related Services:

- a global price with or without national currency or
- budget fee in a form of Cost Breakdown

divided into Key Expert and Non Key Experts including overheads etc. and provision for incidental expenditure.

Annex VI. - Pre-financing Guarantee Form

A Template form of the EC base projects will be used in some cases where a Pre-financing Guarantee for Advance Payment will be apply.

Terms of Reference for an Expenditure Verification

In some case for fee-based Service Contracts - external actions of the EC projects a Contractor shall accept an Auditor to provided an audit to confirm that the Services financed by the Service Contract complies with the terms and conditions of the Service Contract and for ensuring that this Financial Report can be reconciled to the Contractor's accounts and records in respect of these Services. The Contractor is responsible for providing sufficient and adequate information, both financial and non-financial, in support of the Financial Report. The Auditor generally verifies the eligibility of the fees with the terms and conditions of the Service Contract. A document consists of a Template and related 4 Annexes to verification.

Evaluation grids for Experts

The evaluation grids will be set up and used only for internal purpose of a Contracting Authority. The categories to be used to provide an assessment of the Organisation and Methodology (i.e. Rationale, Strategy, Back-up function, Involvement of the consortium members and Timetable of activities including the number of expert days proposed) and each of the key experts (ie, Qualifications and skills, General professional experience & Specific professional experience) may be modified as required and the division of scores must be adapted according to the requirements of the specific Tender Procedure.

The number of key experts must correspond to the number of key expert profiles identified in the Terms of reference and must not exceed 4 key experts. The total scores of the key experts shall not exceed 40% but may be less. The strengths and weaknesses in evaluation grid must reflect the commonly agreed by the Committee amongst all those pointed out by the evaluators in their individual grids.

The Evaluation Committee must evaluate tenders on the basis of this evaluation grid, which includes maximum scores. Those maximum scores cannot be modified after the deadline for informing potential tenderers of any clarifications.]

Service Tender Submission Form

A Template will be prepared by a Contracting Authority; document shall be filling from an each Tenderer taking a part in a Tendering Procedure.

A Tenderer shall supply **signed** tender submission form (including signed statements of exclusivity and availability from all key experts proposed, if applicable, a completed financial identification form and a completed legal entity file (only for the Leader) and declarations from the Leader and all members (if you are in a consortium), together with three copies.

Statement of exclusivity and availability

A Template will be prepared by a Contracting Authority following EC requirements; document shall be filling from an each Tenderer taking part in a Tendering Procedure.

The engagement of an Expert is confirmed if the Expert is committed to work as a Key Expert under a signed Contract financed by the EU general budget or the EDF or if he/she is a Key Expert in a tender which has received a Notification of Award. The date of confirmation of the engagement in the latter case is that of the Notification of Award to the Contractor.

Generally it is not allowed to offer Services as an Expert to any other Tenderer participating in this Tender Procedure.

Tax and Customs Arrangements

For EDF financed projects Tax and Customs Arrangements shall be applicable due to a special Tax and Customs Conditions.

The ACP States shall apply to contracts financed by the Community tax and customs arrangements no less favourable than those applied by them to the most favoured States or international development organisations with which they have relations. For the purpose of determining the most-favoured-nation (MFN) treatment, account shall not be taken of arrangements applied by the ACP State concerned to other ACP States, or to other developing countries.

Addendum

In some cases also a Template for Addendum as required form EC will be used. The Template is only mirroring a practice in construction projects. The addendum shall form an integral part of the Contract.

B3. Tender Documents for Site Supervising - EC Procedures

Following consequently procedures and a Standard Tender Documents of an EC a NISPAcee methodology is divided into chapters as stated in a Table of Contents with relevant Annexes.

General

Comparing the Standard Tender Documents of EBRD and EC Standard Procedures there are differences also for Site Supervising joined primarily with several financial resources and modalities for financing for EC projects.

Therefore EC Standard Documents offers possibilities for financing either from EC Budget or EDF projects resources. Based on a possible different resources and different Contracting Authorities prepared and submitted documents offer more possibilities and variety.

As a relevant support to all EC Tendering Procedures is common used PRAG (Practical Guide) for EC financed investment projects with a lot of useful remarks and notices or preparing Standard Tender Documents.

The procedure shall base on two-stage Tendering Procedure (see a part Section II. - Theoretical framework in Tendering Procedures) with shortlisting of Tenderers.

Each of a presented Tender Documents consists of more packages based on different methodology of Tender incorporated: Call for Tender, Tender Data, Tender Security Form, Price Schedules Documents, Contract in a form of General Conditions, Specific Conditions, Appendix to Tender, as well as different templates for Guarantees, List of Subcontractors etc. **however dividing into any Volumes in EC Documents - for better overview and to work with - is missing.**

Site Supervising

Tender Documents will be presented with tailor-made templates to be used by Municipalities also for Supervising of Construction Works. However there are only a few differences between TD for Design Works and TD for Site Supervising as explain below.

Differences in Documents for Design Works and Site Supervising

A difference compare to previous sample TD - Design Works belongs generally only to following chapters and Articles of TD:

- i) Requirements on Experts;
- ii) ToR for Site Supervising.

Requirements on Experts

To set up appropriately requirements on Experts suitable to provide Site Supervising are different

ToR for Site Supervising

Section V. - EIA Procedures

Section VI. - Audit Trail - Implementation Procedures

1. General

The purpose of Audit Trail is to provide assurance to the Donor on the effectiveness of governance, risk management and controls supporting the UWSCG procurement and contracting activities.

The Government of Georgia is responsible for overseeing compliance with the Donors Acts, which covers the personal information-handling practices of government departments and responsible implementing agencies of foreign funds.

An implementing agency UWSCG is committed to achieving organizational excellence, applying sound business management practices, and continually improving its performance for Audit Trail. With respect to procurement and contract activities, UWSCW implements and respects set up Audit Trails in a manner that does not compromise their independence.

The audit trail consists of two things:

- (1) Information about the actual data generated. It's the who, what, where, what kind, how long, and how many of the implementing processes. One can often do this in a table so it doesn't take up more pages and pages.
- (2) Information about how was analysed the data. This might be the actual workings or it might be a sample of transcript, codes and themes and so on - whatever is appropriate for the methods chosen.

2. Audit Trail Methodology

This section explains how the audit subsystem functions, what criteria are used to collect data, and how audit requirements affect system performance.

There are four privileges associated with the audit subsystem:

- The **configaudit** authorization allows the audit parameters for all users of the system to be set.
- The **writeaudit** authorization allows specific information to be recorded in the audit trail.
- The **suspendaudit** authorization prevents any auditing.
- The **audittrail** secondary subsystem authorization allows users to generate audit reports on their own activities. When a user is assigned this authorization, they can access the **Report** selections of the **Audit Manager**.

3. Audit Events

A.	Startup/Shutdown	B.	Login/Logoff
C.	Process Create/Delete	D.	Make Object Available
E.	Map Object to Subject	F.	Object Modification
G.	Make Object Unavailable	H.	Object Creation
I.	Object Deletion	J.	DAC Changes
K.	DAC Denials	L.	Admin/Operator Actions
M.	Insufficient Authorization	N.	Resource Denials
O.	IPC Functions	P.	Process Modifications
Q.	Audit Subsystem Events	R.	Database Events
S.	Subsystem Events	T.	Use of Authorization

An administrator can selectively collect and reduce audit data based on these event types. The audit subsystem interface lets you build a list of event types for either the audit subsystem or the data-reduction program. The subsystem uses event types to determine whether an audit record should be written to the audit trail. As the audit administrator, UWSCG have full control over what events get audited.

Annexes

1. How to use Annexes in Tender Documents
2. List of recommended Annexes

Resources

Literature

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Evaluation Policy of The EBRD, EBRD London, 2010
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COM (2006) 545: Action Plan for Energy Efficiency: Realising the Potential, EC, 2006
COM (2006) 105: Green Paper: A European Strategy for Sustainable, Competitive and Secure Energy, 2006

(v) EBRD Standard Documents

(vi) EC Standard Documents

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