

# Invitation for Bids (IFB)

*08, June 2021*

*Mongolia*

*MON-14*

*Heating System Improvement Project of 10 Mongolian Province Centers*

*LOT 2*

*/Tuv/Dundgovi/*

## ***Brief Description of Works***

- *Engineering, Procurement and Construction of District Heating Systems (including centralized heating plants, heating distribution centers and primary pipeline from heating plants to distribution centers)*
  - *O&M Support (including mobilization of engineers for O&M support after the completion of Project)*
  - *Capacity Building (Foreign and Local Training)*
1. The Ministry of Finance has received (or where appropriate, “has applied for”) a Loan from the Export-Import Bank of Korea from the resources of the Economic Development Cooperation Fund (EDCF) of the Republic of Korea in the amount of 148,721,000 (One hundred forty eight million seven hundred twenty one thousand US dollars) toward the cost of *Heating System Improvement Project of 10 Mongolian Province* and intends to apply a portion of the proceeds of this loan to payments under the contract for *Loan Agreement MON-14*
  2. The Project Executing Agency now invites sealed bids from eligible bidders for Heating System Improvement Project for 10 Mongolian Province Centers. Project scope includes Engineering, Procurement and Construction of District Heating Systems (including centralized heating plants, heating distribution centers and primary pipeline from heating plants to distribution centers), O&M Support (including mobilization of engineers for O&M support after the completion of Project), Capacity Building (Foreign and Local Training).
  3. Bidding will be conducted through Competitive Bidding (CB) procedures specified in the Guideline for Procurement under EDCF Loans and is open to all eligible bidders that meet the following minimum qualification criteria. The Bidders shall be limited to those firms who are entitled eligible by the Article 4.2 through 4.5 of the Instructions to Bidders in Section I of this SBD, and the Section III of this SBD provides the qualification criteria of the Bidders.

[Total budget]

Bidding Lot 2 total budget - US\$ 23,994,000.

[Nationality of Entities]

The single entity or all the entities consisting of a Joint Venture who is (are) the Korean nationality holder(s) at the time of bidding shall be eligible for the bidding as

per the requirements of the Loan Agreement.

[Pending Litigation]

All pending litigations of either a single entity or each member of Joint Venture shall be treated as resolved against him, and so shall any entity in total exceeding more than fifty (50) percent of his net worth shall not be eligible for the bidding.

[Historical Financial Performance]

As a minimum, the net worth of an entity calculated as the difference between total assets and total liabilities shall be positive for the last three (3) years.

[Average Annual Construction Turnover]

The Average Annual Construction Turnover of an entity or entities combined shall be, at least, twenty-five million US dollars (US\$ 25,000,000) calculated as total certified payments received for contracts in progress or completed, within the last three (3) year. And, when a Joint Venture is made for the bidding, it shall be eligible for the bidding only if each member shall have, at least, twenty-five (25) percent of this amount, and, additionally, one member of whom shall have forty (40) percent of this amount as well.

[Financial Resources: Cash Flow Generation Capability]

The single entity Bidder shall demonstrate access to, or availability of financial resources such as the liquid assets of cash flow or something equivalent, unencumbered real assets, lines of credit, and other financial means, other than any contractual advance payments, the amount of thirty percent (30%) of the Bidding Lot 2 total budget (US\$ 23,994,000).

For the Bidder of a Joint Venture, all members jointly shall meet the above amount of cash flow generation capability, and each member shall be able to demonstrate the capability of forty percent (40%) of this amount individually, and additionally, at least, one member shall have the capability of sixty percent (60%) of this amount for the qualification.

[Specific Construction Experience]

Only either the single entity or all the entities combined having the track records of three (3) or more Energy Related Plant projects such as the power plants, oil & gas plants, and the heating plants with the distribution networks for district heat supply (except for waste incinerator only plants, water and waste water treatment plants) during the previous ten (10) years from the bid open date, his own portion of which the contract amount individually shall be equal to or exceed ten million US dollars (US\$ 10,000,000) and, at least, one of which shall be equal to or exceed twenty five million US dollars (US\$ 25,000,000) is (are) eligible for the bidding.

[Construction Experience in Key Activities]

Either a single entity or all the entities of a Joint Venture combined shall have the following construction experience to be eligible for the bidding through the demonstration of the following construction experiences.

Each of the following requirements shall be met as the key activity in a single project.

- Erection of Heating Boiler ( $\geq 10\text{Gcal/h}$ )
- Installation of Oil & Gas or Steam or DH Network Pipelines Having the Diameter

of  $\geq \Phi 150\text{mm}$ , Pressure of  $\geq 16$  bar.

- Steel Structural Plant Building Having Dimensions of  $\geq (50\text{m}^L \times 30\text{m}^W \times 30\text{m}^H)$
4. Interested eligible Bidders may obtain further information from *Ministry of Energy* (“*Heating system Improvement Project of 10 Mongolian Province Centers*” Project Implementation Unit) and inspect the bidding documents at the address below from 10 o’clock to 16 o’clock.
  5. A complete set of bidding documents may be purchased by any interested Bidders of the eligibility on the submission of a written application to the address below and upon payment of a nonrefundable fee of USD 750 (Seven hundred fifty US dollars) or in an equivalent amount in the Mongolian Tugrug. The method of payment will be direct deposit to the following account.

Account Name: Ministry of Finance (100900011609)  
Account No.: 106000079576  
Beneficiary’s Bank: State Bank of Mongolia, Ulaanbaatar, Mongolia  
SWIFT code: STBMMNUB  
Correspondent bank: KOOKMIN BANK  
SWIFT code: CZNBKRSE  
Account No.: 7968USD019

The document will be provided to registered representative of the Bidders by hard copies and PDF files from the day of Bid issued, and additionally, the workable files in the Excel Sheets.

If you are unable to purchase a Bidding Document in Mongolia, you can send a representative who can purchase in Mongolia.

This Invitation shall take effect until at 17:30 local time on 22, July 2021, after publication in the official website or in a newspaper of general nationwide.

6. Bids must be delivered to the address below at or before 11:00 local time on the date of 15, September 2021. All bids must be accompanied by a bid security of USD 500,000 (Five hundred thousand US dollars) **fixed amount**. Late bids shall be rejected. Bids will be opened in the presence of the Bidder’s representatives who are duly chosen to attend at the address below on 15, September 2021 at 11:30 local time.

Address: “Heating system Improvement Project of 10 Mongolian Province Centers” Project Implementation Unit’s office, 7<sup>th</sup> floor, Polaris tower, Chinggis avenue, 2<sup>nd</sup> khoroo, Khan-Uul district, Ulaanbaatar, Mongolia, 17040

Representative: J.Dulmaa, Engineer of “Heating system Improvement Project of 10 Mongolian Province Centers” Project Implementation Unit.  
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7. The *Ministry of Energy* will not be responsible for any costs or expenses incurred by Bidders in connection with the preparation or delivery of Bids.