

Request for Expression of Interest for design and turnkey supply of municipal biomass heating systems EoI 11/00348

**Minutes of the Informational Meeting, 13/05/2011, 16:00
UN House, Conference room**

Participants	
Representatives of 18 companies/organizations attended the meeting.	
UNDP Moldova	
1. Nadja Veters	UNDP Moldova Portfolio Manager
2. Radu Dusciac	UNDP Moldova Procurement Associate
3. Alexandru Ursul	MEBP Project Manager
4. Nicolae Zaharia	MEBP Senior Officer
5. Vsevolod Valcov	MEBP Engineer
6. Mihai Maciuca	MEBP Procurement and Contract Management Officer

Scope of the meeting - to present to interested companies what are the project objectives, inform which will be the next steps and describe procedures.

Background:

On April 29, 2011 UNDP Moldova issued a Request for Expression of Interest for design and turnkey supply of municipal biomass heating systems. The scope of the announcement is to inform about the launch of an open international competition among interested design-build companies/consortia for the design, construction, installation and commissioning of 130 municipal biomass heating projects in the rural area of Moldova.

The request for expression of interest is the first step within the 3 stage selection process following which qualified companies/consortia will be contracted for the execution of the projects. It is meant to facilitate the procurement process by generating interest in the project among a wide spectrum of potential design-build team members, encouraging early formation of design-build teams and initiating and providing for efficient future communication between the PMT and potential design-build team members.

The second step will be the Prequalification Request (PQR) exercise which is envisaged to be launched in June 2011. At the PQR stage comprehensive tender participation and qualification requirements will be announced. One of the key eligibility requirements will be the existence of a local service agent available for maintenance routines and servicing the equipment after its installation (minimum for the period of warranty). Based on those requirements all applicants will be evaluated and a number of best qualified companies/consortia will be pre-selected and invited for the third stage of the competition – Request for Proposals (RFP) stage.

The RFP is the last stage of contractors' selection following which the contracts will be awarded. It will include all technical and performance output criteria of each installation for which the contractors will have to submit their technical and financial proposals. RFPs will be issued per batches of projects until the total number of 130 of projects will have been contracted and successfully finalized.

To answer UNDP's Request for Expression of Interest, companies have to submit a letter showing their interest in the project and a short presentation about themselves – up to 2 pages – which shows the company's experience in the field and that the company is qualified enough and would be able to answer the project's exigencies. In case of consortia the letter must also contain the tentative consortium composition.

Questions and answers session:

Q – To be eligible a company has to provide the following services: design, manufacture and install the heating systems. However, rarely one single company can provide all the set of services and works. Are companies allowed to collaborate with others?

A – Consortia are encouraged/accepted for contracting. The consortium must have a leading company which files the application and will sign the contracts on behalf of all consortium members. The consortium leader will have to coordinate the inputs from all the consortium members and will be held responsible for the final delivery and execution of the projects. A formal agreement between the consortium members describing the experience of each company will have to be presented for the prequalification.

Q – Will it be necessary to present any prices or costs for the PQR?

A – No prices or costs will have to be indicated for the PQR stage. It will be necessary to indicate the composition of the consortium and the experience of each member. Detailed technical and financial offers will be presented at the RFP stage.

Q – What happens in case a successfully pre-qualified consortium changes its composition?

A – The consortium will be re-evaluated and consequently may be excluded from further competition.

Q – Are the locations where the systems will be installed already determined?

A – No. The project will operate in all the districts of Moldova, in rural areas. However, the exact locations of the heating systems to be installed will be identified during the next stages of the project.

Q – What will be the fuel for the heating systems?

A – The fuel will be straw bales for all the projects.

Q – A set of detailed data from the beneficiaries is also required before the project starts, in order to make sure that the project will be successful. It is necessary to examine the availability of fuel, the exact location of the heating systems, availability of transportation to carry the fuel, and a diagram of energy consumption in time within different periods. Is it planned to undertake feasibility studies?

A – Feasibility studies will be undertaken by qualified energy auditors for each of the projects where all the indicators will be taken into consideration: availability of straw, necessary heating parameters, energy audits results, etc. During the RFP exercise the PMT will elaborate detailed performance based Request for Proposals (RFP) according to which the qualifying companies will have to provide their offers for the delivery of the complete project cycle: designing, construction, installation and commissioning of municipal biomass heating systems including engineering prospecting. The local administration will have to insure availability of a reliable supplier of straw and an appropriate storage for the straw to keep it dry during the whole heating season. The output capacity of the installed boilers may vary from approximately 100kW to up to 400kW for different locations.

Q – The relative humidity of the straw must be below 15-20% in order to provide good heating performance. Can it be insured appropriate storage of the straw in order to keep below that humidity levels?

A – The local straw supplier will have the responsibility to stack in dry conditions the necessary amount of straw for the whole heating season. The local administration will have smaller warehouses located in immediate proximity to the boiler, where a small quantity of straw necessary for heating the object for 1-2 weeks will be stored and constantly replenished.

Q – Does the project foresee the modernisation of the heat distribution systems within the heated institutions?

A – Originally this is not foreseen to be included in the projects. The PMT will try as much as possible to identify locations where some heat conservation works and/or other modernisation of the heating systems have already been undertaken. However in some cases, on an individual approach, such a modernisation may be necessary. In these cases flushing and renewal of the heat distribution system will be included in the RFP.

Q – As long as the exact output capacity of the boilers is not established yet, and knowing that certain manufacturers can provide better solutions in the lower output range while others can provide better solutions for higher output range, is it possible to form a consortium in which the boiler manufacturer could be determined on a case by case basis depending on the conditions of each project?

A – Yes. At the PQR stage consortia can be formed without having the boiler manufacturers as part of the signed consortium agreement. However it will be required to present the potential manufactures from which the consortium is considering to purchase the boilers.

Q – What is the timeline of the tender? And how long are projects expected to be?

A – It is envisaged that the evaluation of the Prequalification applicants is finalized before the end of July 2011. A number of companies/consortia with the best qualification and background will be pre-selected and will be further invited to submit proposals within a series of limited competitions per batches of projects (RfP stage), possibly grouped by districts. New batches of projects will be put into tender until all 130 projects will be contracted and finalized. All 130 projects must be completed by the end of 2014. For 2011 it is planned to commence the works in 8 districts of Moldova with a tentative number of 30 projects. In 2012 – 35 projects are planned to be started and in 2013 – 65 projects. However it must be noted that 130 projects is an indicative figure. The exact number may differ depending on the actual cost of the projects. The heated objects may be various public/social institutions: schools, kindergartens, city halls, etc.

Q – Please explain the financing system.

A – UNDP Moldova will arrange payments directly to the contracted company without intermediaries. At the beginning of each batch of projects the winning company/consortium will receive a 20% advance payment for the start-up works, further instalments will be paid after the certified delivery of each next milestone as agreed in the contract. The Project is VAT exempted hence all prices and costs must be shown with VAT 0%.

The contracts will be signed following the UNDP standard format. Compliance with the UNDP's terms and conditions provided in the contract is mandatory.

Q – Is this tender open to companies from all the countries?

A – The tender is open to companies from all the countries with the condition that all necessary logistics can be easily arranged and a local servicing agent is present.

Additional clarifications following written enquiries:

Q - Do we need to apply any sustainable criteria (RED or NTA80-80) or to perform GHG emissions calculation?

A - Exact emissions calculation/sustainability criteria will be established during the PQR and RFP stages of the tender. However, all the installed equipment/devices/boilers have to meet the EU emissions standards for similar installations.

Q - The training of the boiler operators has to be ensured by the supplier?

A - Contracted companies/consortia will have the responsibility to provide the training to the boiler operators. It may be any qualified specialist certified by the boiler manufacturer to deliver the training. The training has to include basic on-site instruction course on daily operation and maintenance of the boilers.