PRE-QUALIFICATION ANNOUNCEMENT REGARDING

COMPETITIVE DIALOGUE PROCEDURE CODE N SCWE of RA MoA-CDSA-N 15/1

The text of the announcement of the competitive dialogue procedure is herewith approved by the Evaluation Committee Decree N 1 dated December 15, 2015 and is published in accordance with Article 21 of the Law on Procurement of the Republic of Armenia

1. The Client, namely the State Committee of Water Economy of the Ministry of Agriculture of the Republic of Armenia, located in 13a, Vardanants Street, Yerevan, 0010, Republic of Armenia, guided by point 4 of the Decree of the Government of the Republic of Armenia N 1233-N dated October 15, 2015, announces the competitive dialogue procedure and, in relation to this, under part 1 of the Article 21 of the Law on Procurement of the Republic of Armenia the following pre-qualification procedure.

The subject of procurement is the lease of water and wastewater systems and other property currently used and maintained by “Yerevan Djur”, “Hayjrmughkoyughi”, “Lori-jrmughkoyughi”, “Shirak-jrmughkoyughi” and “Nor Akunq” closed joint-stock companies.

During the last decade, the Government of the Republic of Armenia (“GoA”) has restructured the water sector with notable results achieved. Armenia is considered as one of the regional leaders in implementing Public-Private Partnership (“PPP”) schemes in the water and sewerage sector. Management and lease contracts with private water operators have been concluded along with significant investments in water infrastructure upgrades. All this resulted in a remarkable improvement in service delivery, the reduction of operation costs and the increase of revenues.

Currently, there are five water companies, which are managed by three private operators. The Government of Armenia has delegated the management of state water and sewerage infrastructure to the following companies:

* “Yerevan Djur” closed joint-stock company – serving a population of 1 million under a Lease Arrangement with Veolia;
* “Hayjrmughkoyughi” closed joint-stock company – serving 0.62 million consumers under a Management Contract with SAUR;
* “Lori-jrmughkoyughi”, “Shirak-jrmughkoyughi” and “Nor Akunq” closed joint-stock companies - serving 320,000 residents under a Management Contract with a consortium of companies MVV decon, MVV Energie, AEG Service under SAUR’s leadership (since January 1, 2014).

All these Public-Private Partnership contracts expire in 2016 and will be subject to a tender, which provides a chance for a "second generation" of reforms to build on the achievements of the initial reform and to expand its scope. The reforms will tackle issues in the fields of water management, legal and regulatory framework, and water tariffs.

Currently, several investment projects are being implemented in the Armenian water sector funded by the proceeds of grants and loans provided by the Asian Development Bank, the European Bank for Reconstruction and Development, the European Commission, the European Investment Bank, KfW Development Bank and the World Bank. The Government of the Republic of Armenia is intending to continue cooperation with international organisations in this sector and is expecting that around USD 200 million will be invested in the water sector during the period from 2016 to 2020.

In the process of conducting this procurement procedure, advisory support to the Government of the Republic of Armenia and to the Client is provided by Fichtner GmbH & Co. KG (Germany) under the consultancy services “Armenia Water Investment Program – Transaction Adviser” funded by the European Bank for Reconstruction and Development.

The winner of this procedure will be offered, in accordance with the established procedure, to sign a lease contract (hereinafter referred to as “Contract”) of water and wastewater systems and other property (hereinafter referred to as “Property”) currently used and maintained by “Yerevan Djur”, “Hayjrmughkoyughi”, “Lori-jrmughkoyughi”, “Shirak-jrmughkoyughi” and “Nor Akunq” closed joint-stock companies.

The Contract shall include the services that are necessary to manage, operate and maintain water facilities for a period of 15 years. The anticipated services will relate to both the existing water facilities in the service area and additional water facilities constructed in the service area.

1. Any individual, regardless of the nationality of the individual or organisation, including individuals without citizenship has an equal right to participate in the bidding procedure.
2. The following individuals/legal entities are not eligible to bid under this procurement procedure:
3. who have been declared bankrupt by the court;
4. who have outstanding tax and mandatory social security payments arrears against the Republic of Armenia,
5. have a representative of the executive body, who during the preceding three year period has been convicted for offenses against economic activities or state service, except cases when such conviction has been lifted or nullified as stipulated by law;
6. who are included in the list of entities ineligible to participate in procurement procedures.
7. The pre-qualification application is to include a written application form, signed by the bidder for participating in the pre-qualification procedure, the proposed form of which and the imposed requirements are specified in Annex N 1; a written declaration, signed by the bidder (Annex N 2) with regard to the compliance with the eligibility criteria to participate in this procurement procedure and qualification requirements (Annexes N 2.1 and N 2.2; including all the necessary information required by the announcement herewith as attachments to the Annex N 2.2); a joint venture agreement, in case the bidders participate in the pre-qualification procedure in a consortium; and the e-mail address of the bidder.
8. The bidder must submit a declaration for the eligibility evaluation. No other documents shall be required from the bidder for the eligibility evaluation in addition to the declaration. The proposed form of the declaration and the imposed requirements are specified in Annex N 2.1.

1. The bidders can participate in the pre-qualification procedure by joining efforts as a consortium. In such a case։
   1. the pre-qualification application should also include a joint venture agreement;
   2. joint venture agreement shall specify also which of the qualification criterion criteria will be satisfied by which member of consortium;
   3. joint venture agreement shall also stipulate that the joint venture members shall bear joint and several liability;
   4. during the evaluation of the application, the unified qualifications of all the members of joint venture agreement shall be taken into account.

1. The Client shall respond to the bidder’s request for clarification regarding the pre-qualification within three calendar days, if it is received not later than five calendar days before the deadline for the submission of pre-qualification applications. The Client publishes the information regarding the request for clarifications and provided clarifications in the official procurement bulletin ([www.gnumner.am](http://www.gnumner.am)) and on the website of the State Committee of Water Economy ([www.scws.am](http://www.scws.am)), without disclosing the data on the inquirer. In case of providing information to any potential bidder, the Client shall ensure the availability of that information to all potential bidders.
2. The bidders included in the list of pre-qualified bidders are eligible to participate further in the procurement process.
3. The bidder has to comply with the following qualification requirements:

1) Compliance of professional activity with the activities envisaged by the Contract:

1. For a period of not less than 5 years during the 15 year period prior to the publication of this announcement, should individually (including as a member of a consortium) or by its subsidiary or by a company with its 50 percent and more participation (including as a member of a consortium) have implemented either: one water systems management, operation and maintenance project having no less than 5-year duration of providing water supply services to at least 600,000 people annually, or two or more water supply projects serving a combined total population of at least 800,000 (with at least one project named serving a population of more than 300,000),
2. During the 15 year period prior to the publication of this announcement should individually (including as a member of a consortium) or by its subsidiary or by a company with its 50 percent and more participation (including as a member of a consortium) have water systems management, operation and maintenance projects providing service in at least three different countries.

2) Professional experience:

1. Should individually (including as a member of a consortium) or by its subsidiary or by a company with its 50 percent and more participation (including as a member of a consortium) have performed reconstruction and renovation of water systems for at least three projects each costing not less than the equivalent of USD 5 million during the 15 year period prior to the publication of this announcement,
2. During the 15 year period prior to the publication of this announcementshould individually (including as a member of a consortium) or by its subsidiary or by a company with its 50 percent and more participation (including as a member of a consortium) have implemented at least one project of water systems management, operation and maintenance providing service to at least 100,000 people in the territory of the Republic of Armenia with duration of not less than 5 years.

3) Financial capabilities: Turnover in respect of water system operations of a bidder (including as a member of a consortium) or its subsidiary or a company with its 50 percent and more participation (including as a member of a consortium) during the last 5 years prior to the publication of this announcement: annual average turnover equivalent to at least USD 50 million.

1. The bidder’s compliance with the qualification requirements are evaluated in the following way:
2. The bidder must submit a declaration, proposed form of which and the imposed requirements on it are specified in Annex N 2.2, including the attachment of all proving documents;
3. The bidder’s compliance with the qualification requirements specified in each sub-point of Point 9 of the announcement herewith is evaluated separately, based on the information presented by a bidder as attachment to Annex N 2.2;
4. In case of the compliance with the qualification requirements specified in each sub-point of Point 9 of the announcement herewith the application is evaluated positively in regard with the respective requirement;
5. The bidders submitting applications which are evaluated positively in compliance with all the qualification requirements specified in each sub-point of Point 9 of the announcement herewith, in case of approval by the Government of the Republic of Armenia, are included in the list of the pre-qualified bidders by the Evaluation Committee in accordance with the defined procedure.
6. For ensuring the compliance with the qualification requirements specified in paragraphs “a” and “b” of sub-point 1 and “a” and “b” of sub-point 2 of Point 9 of the announcement herewith, information concerning the relevant projects and/or the contracts and their implementation shall be submitted as attachment to Annex N 2.2 of the application. The submitted information shall include the names of the parties to the contracts or the implementing entity of the projects, a short description of the project, place, volume and duration of the project. For ensuring the compliance with the qualification requirements specified in sub-point 3 of Point 9 annual financial statements shall be presented.
7. Pre-qualification applications should be submitted to Room 401, 4th Floor, 13a, Vardanants Street, Yerevan, 0010, Republic of Armenia before 10:30AM, January 21, 2016 and they should be drawn up in Armenian and English, however, in case of inconsistency between the two texts the Armenian text shall prevail.

The pre-qualification application must be submitted in hard copies and in electronic form.

The application and related documents, as well as electronic copy of application and related documents (on CD/DVD) are put into an envelope, which is sealed by the applicant. The Envelope contains one (1) original and three (3) copies of application documentation in Armenian, one (1) original and one (1) copy of application documentation in English, as well as one (1) CD/DVD with electronic version of application documentation in Armenian and English. The words "Original" and "Copy" are written respectively on the packages of the documents. The envelope and the documents regarding this invitation are signed by the person who is submitting them or the authorized person representing him (hereinafter referred to as “Agent”). If the application is submitted by the Agent, a document testifying his authorization shall be submitted with the application.

The envelope shall be marked (in language of submitted application):

1. the name of Client and the place (address) of submission of the application;
2. the code number of the pre-qualification procedure;
3. a warning “Do Not Open before Application Opening Session”;
4. the name of applicant, address and telephone number.

The opening of the bids will take place in Room 401, 4th Floor, 13a, Vardanants Street, Yerevan, 0010, Republic of Armenia at 10:30AM, on January 21, 2016.

The complaints regarding this procedure should be submitted to the Procurement Assistance Center SNCO in accordance with Section 6 of the Law on Procurement of the Republic of Armenia.

The submitted documents are received and registered in separate registry books by Procurement Coordinator - Evaluation Committee Secretary.

To receive additional information regarding this announcement, please contact Mr. Arayik Mnatsakanyan, Procurement Coordinator, Head of Finance Division, Deputy Head of the Financial-Economic and Accountancy Department of the Staff of the State Committee of Water Economy of the Ministry of Agriculture of the Republic of Armenia:

Tel.: (+374-10) 540229, (+374-91) 329056

E- mail: [arayik.mnatcakanyan@gmail.com](mailto:arayik.mnatcakanyan@gmail.com)

The Client: State Committee of Water Economy of the Ministry of Agriculture of the Republic of Armenia

Annex 1

Pre-qualification announcement regarding competitive   
dialogue procedure code N SCWE of RA MoA-CDSA-N 15/1

**APPLICATION FORM**

###### \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is interested to participate

Name of the bidder

###### in the pre-qualification procedure regarding competitive dialogue procedure code N *S*CWEofRAMoA-CDSA-N 15/1 for the lease of water and wastewater systems and other property currently used and stored by “Yerevan Djur”, “Hayjrmughkoyughi”, “Lori-jrmughkoyughi”, “Shirak-jrmughkoyughi” and “Nor Akunq” closed joint-stock companies in accordance with the pre-qualification procedure and pre-qualification announcement requirements, while attaching relevant documents.

Attachment\_\_\_\_ pages.

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| Name of Bidder (Position, Name and Surname of the Head) | | | | |  | Signature | |
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Annex 2

*Pre-qualification announcement regarding competitive   
dialogue procedure code N S*CWEofRAMoA-CDSA-N 15/1

**DECLARATION**

CONCERNING COMPLIANCE TO THE ELIGIBILITY AND QUALIFICATION CRITERIA OF THE BIDDING REQUIREMENTS DEFINED IN THE PRE-QUALIFICATION ANNOUNCEMENT CODE N *S*CWEofRAMoA-CDSA-N 15/1

The declares that the information on behalf of the bidder meets the eligibility criteria and qualification requirements as defined in the pre-qualification announcement code N *S*CWEofRAMoA-CDSA-N15/1

Required information is attached.

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| Name of Bidder (Position, Name and Surname of the Head) | | | | |  | Signature | |
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*Annex 2.1.*

*Pre-qualification announcement regarding competitive   
dialogue procedure code N S*CWEofRAMoA-CDSA-N 15/1

**DECLARATION**

CONCERNING ELIGIBILITY TO PARTICIPATE IN THE PRE-QUALIFICATION PROCEDURE REGARDING COMPETITIVE DIALOGUE PROCEDURE CODE   
N *S*CWEofRAMoA-CDSA-N 15/1

The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_declares that he/she/it

(name of the bidder)

1) has not been declared bankrupt by the court,

2) does not have any outstanding tax and mandatory social security payments arrears against the Republic of Armenia,

3) the representative of the bidding entity’s executive body has not been convicted of crimes committed against economic activity or public service three years prior to the submission of application,

4) is not included in the list of entities ineligible to participate in procurement process.

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| Name of Bidder (Position, Name and Surname of the Head) | | | | |  | Signature | |
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*Annex 2.2.*

*Pre-qualification announcement regarding competitive   
dialogue procedure code N S*CWEofRAMoA-CDSA-N 15/1

**DECLARATION**

CONCERNING QUALIFICATION REQUIREMENTS TO PARTICIPATE IN THE PRE-QUALIFICATION PROCEDURE REGARDING COMPETITIVE DIALOGUE PROCEDURE CODE N SCWE of RA MoA-CDSA-N 15/1

The declares that

name of the bidder

the bidder meets the qualification requirements necessary for the implementation of the Contract.

Moreover, confirms that:

name of the bidder of the procedure

1) Compliance of professional activity with the activities envisaged by the Contract:

1. For a period of not less than 5 years during the 15 year period prior to the publication of this announcement, should individually (including as a member of a consortium) or by its subsidiary or by a company with its 50 percent and more participation (including as a member of a consortium) have implemented either: one water systems management, operation and maintenance project having no less than 5-year duration of providing water supply services to at least 600,000 people annually, or two or more water supply projects serving a combined total population of at least 800,000 (with at least one project named serving a population of more than 300,000),
2. During the 15 year period prior to the publication of this announcement should individually (including as a member of a consortium) or by its subsidiary or by a company with its 50 percent and more participation (including as a member of a consortium) have water systems management, operation and maintenance projects providing service in at least three different countries.

2) Professional experience:

1. Should individually (including as a member of a consortium) or by its subsidiary or by a company with its 50 percent and more participation (including as a member of a consortium) have performed reconstruction and renovation of water systems for at least three projects each costing not less than the equivalent of USD 5 million during the 15 year period prior to the publication of this announcement,
2. During the 15 year period prior to the publication of this announcementshould individually (including as a member of a consortium) or by its subsidiary or by a company with its 50 percent and more participation (including as a member of a consortium) have implemented at least one project of water systems management, operation and maintenance providing service to at least 100,000 people in the territory of the Republic of Armenia with duration of not less than 5 years.

3) Financial capabilities: Turnover in respect of water system operations of a bidder (including as a member of a consortium) or its subsidiary or a company with its 50 percent and more participation (including as a member of consortium) during the last 5 years prior to the publication of this announcement: annual average turnover equivalent to at least USD 50 million.

Attachments include the following documents:

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