

BIDDING DOCUMENT

Procurement of Works

TANAHU HYDROPOWER PROJECT

PACKAGE 1

HEAD WORKS (RE-BID II)

Part I

Bidding Procedures

Volume I

SECTION 3 – EVALUATION AND QUALIFICATION CRITERIA

Issued on: 28 February 2020

OCB No.: THL/01 – P1/2075/76

Employer: Tanahu Hydropower Limited

Country: Nepal

Section 3

Evaluation and Qualification Criteria

This Section contains all the criteria that the Employer shall use to evaluate bids and qualify Bidders. In accordance with ITB 32 and ITB 37, no other methods, criteria and factors shall be used. The Bidder shall provide all the information requested in the forms included in Section 4 (Bidding Forms).

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Section 3

Evaluation and Qualification Criteria

1 Evaluation Criteria and Methodology

In addition to the criteria listed in ITB 37.2(a)–(f) the following criteria shall apply:

1.1 Adequacy of Technical Proposal

1.1.1 General

Evaluation of the Bidder's Technical Proposal will include an assessment of the Bidder's technical capacity to mobilize key equipment and personnel for the Contract consistent with its proposal regarding work methods, scheduling, and material sourcing in sufficient detail and fully in accordance with the requirements stipulated in Section 6 (Employer's Requirements).

Satisfaction of the Qualification Criteria by a Bidder does not imply acceptance of the Bidder's capability to perform the Contract. The technical adequacy of the submitted Bid will be assessed based on the information submitted with the Bid.

The Bidder's Technical Proposal, detailing how the required Works are to be carried out in accordance with the Specification and all other requirements of the Contract, will be evaluated based on a detailed assessment of the material submitted in order to determine its acceptability. The technical submissions must demonstrate the adequacy of the Bidder's appreciation of all technical aspects of the Contract including:

- (a) the overall Project, and in detail the required Works under this Contract;
- (b) the methods proposed for mobilisation, establishment of site installations and facilities, and necessary arrangements for logistic support of the construction sites;
- (c) how the permanent Works activities are to be planned and carried out;
- (d) the skills and resources necessary for the satisfactory execution of the Works;
- (e) the contractor's health & safety and environmental protection procedures and resources.

If the technical information is found to be unsatisfactory and places any significant doubt on the capability of the Bidder to perform the Contract, then the Bid may be deemed to be not substantially responsive in accordance with ITB 30 and subject to ITB 27.

Non-compliance with any specific equipment and personnel requirements described in Section 6 (Employer's Requirements) shall not normally be grounds for Bid rejection and such non-compliance will be subject to clarification during Bid evaluation and rectification prior to contract award.

1.1.2 Technical Proposal Schedules

The basis for the technical evaluation and comparison of Technical Bids will be principally the information and data provided by Bidders as specified in the Technical Proposal schedules included in Section 4 (Bidding Forms), representing as a minimum the following aspects:

- Subcontractors (Schedule A), including eligibility and technical qualification
- Key Personnel (Schedule B), including comprehensive curriculum vitae
- Equipment (Schedule C)
- Site Organisation (Schedule D)
- Details of Site Establishment Areas and Temporary Facilities (Schedule E)
- Method Statements (Schedule F)
- Proposed River Diversion Details (Schedule G)
- Mobilisation Schedule (Schedule H)
- Construction Schedule – Bid Programme (Schedule I)

- Construction Power and Energy Requirements (Schedule J)
- Source of Plant, Materials and Fuel (Schedule K)
- List of Technical Deviations from the Specification (Schedule L)
- Alternative Bids (Schedule M)
- Health and Safety (Schedule N)
- Environmental Management (Schedule O)
- Labour Relations and Training of Workmen (Schedule P).

The information, technical data and other documentation to be submitted for each of these Technical Proposal schedules as part of the Technical Bid shall be as indicated on each schedule as well as being in full compliance with the requirements of Section 1 (Instructions to Bidders) and any other parts of the Bidding Document.

Bidders are strongly advised to:

- (i) submit the statements and information requested for each Technical Proposal schedule and any other supporting data in the form and order indicated in the schedules, and to ensure that all specific points on which information has to be submitted are fully covered; and
- (ii) ensure that all material submitted is complete in all respects but is also concise, avoiding the inclusion of material of marginal relevance or importance.

The Employer is under no obligation to seek or request clarifications or substantiating information after Bids have been submitted, although the Employer at his discretion reserves the right to do so. In consequence, any inadequacies in the information, technical data or other documentation submitted as part of the Technical Proposal of any Bid may adversely affect the acceptance of that Bid during evaluation.

1.2 Additional Evaluation Criteria

1.2.1 Multiple Contracts

In accordance with ITB 1.1 as confirmed in Section 2 (Bid Data Sheet), these Works are not grouped in multiple lots and therefore there will be no evaluation related to multiple lots within this Contract.

1.2.2 Completion Time

The Time for Completion of the Works is defined in Section 8 (Particular Conditions of Contract), Part A (Contract Data) Sub-Clause 1.1.3.3. Bids offering a Time for Completion later than the designated period shall be rejected. No credit will be given for earlier completion.

It can be clearly seen from the Bidding Document that the activities of the Contractor under this Contract will involve frequent and programme-critical interchanges of access to various parts of the works with the contractor for Package 2 of the Project with respect to the installation, testing and commissioning of the hydromechanical equipment and the electromechanical equipment at and within the dam structure. The Contractor shall therefore be obliged, under the terms of the Contract, to exercise a high degree of responsibility for maintaining close liaison and flexible cooperation with the other contractor, in order to ensure that these interfaces between their construction activities do not result in any unnecessary delays or physical interference. This interface dependency clearly precludes any unilateral proposals for an alternative Completion Time (or any of the intermediate Section Completion Dates) at the time of submission of the Bid.

Bidders should therefore note that the evaluation of the organisational structures and responsibilities and the detailed method statements will be heavily influenced by the extent to which the Bidder demonstrates that the necessarily high degree of interface planning and management for these work activities has been taken fully into account in its Technical Proposal.

1.3 Alternative Proposals

1.3.1 Alternative Bids

A "conforming" Bid is one which has been determined by the Employer to be substantially responsive in accordance with the requirements of ITB 30. An alternative Bid will not be taken into consideration in the evaluation of the corresponding "conforming" Bid submitted by the same Bidder.

Only an alternative Bid submitted by the Bidder whose "conforming" Bid has been evaluated to be the lowest Evaluated ("conforming") Bid Price, as defined in ITB 37, will be evaluated.

The procedure for the evaluation of any alternative Bids which satisfies the requirements of ITB 13 will be the same as that for the "conforming" Bid in accordance with Part E (Evaluation and Comparison of Bids) of Section 1 (Instructions to Bidders), from which an Evaluated Alternative Bid Price will be determined.

1.3.2 Alternative Technical Solutions

Pursuant to ITB 13.4, if a Bidder wishes to propose constructing the Tanahu Dam by means of roller compacted concrete (RCC), he shall submit such proposed alternative technical solution as an alternative Bid in accordance with ITB 13.3 and Sub-Clause 1.3.1 above. In accordance with Sub-Clause 1.3.1, this alternative Bid will only be evaluated provided that the Bidder's "conforming" Bid has been evaluated to be the lowest Evaluated ("conforming") Bid Price as defined in ITB 37.

This alternative Bid must therefore be responsive in all respects to the requirements of the Bidding Document and shall additionally contain the following:

- (i) evidence of specific construction experience of the Bidder with respect to the successful construction of dams with RCC on previous projects within the last 10 years, providing details in each case including as a minimum the following:
 - country, name of project, identity of Employer
 - maximum height of dam above foundation level, maximum and minimum horizontal thickness of dam body, crest length and total volume of RCC and (separately) structural concrete forming the dam body
 - details of RCC mix including cementitious materials, aggregate types and sizes, mix proportions, strength and other design parameters
 - aggregate period of actual RCC placement in dam body, average and peak RCC placement rates for the entire dam construction;
- (ii) full details of the concrete production and placement equipment used for the production, transportation and placement of the RCC in the dam, including as a minimum the following:
 - identity of manufacturer and year of manufacture of the batching plant(s)
 - identification and rated capacities of the batching plant(s)
 - manufacturers and types of delivery equipment (e.g. conveyor system concrete dump trucks etc.), including key details of equipment (e.g. conveyor dimensions/speeds, truck capacities, placement equipment sizes)
 - layout drawings of RCC production facilities, delivery systems and placement arrangements, including major dimensions
- (iii) proposed schedule timings of:
 - international transport and delivery of RCC batching plant(s), delivery equipment and placement equipment to the site of this Contract
 - RCC production and placement progress rates, including variations in these rates depending on the level of placement in the dam and the presence of interfacing structural concrete.

The qualification information submitted under subparagraph (i) above will then be evaluated in accordance with the method applied for the evaluation of the conforming Bid.

The procedure for the evaluation of the information submitted under subparagraphs (ii) and (iii) above will be the same as that for the technical evaluation of the remainder of the Technical Proposal submitted with the Bid in accordance with this Section 3. The selection between a substantially responsive conforming Bid based on the technical solution presented in the Bidding Document and an alternative Bid deemed substantially responsive from the same Bidder will be at the Employer's discretion.

1.4 Specialist Subcontractors

Only the specific experience of Specialist Subcontractors for key activities specified in criterion 2.4.2 (Construction Experience in Key Activities) will be considered. The experience of Specialist Subcontractors in contracts of similar size and nature, and their financial resources shall not be added to those of the Bidder for purposes of qualification of the Bidder.

1.5 Quantifiable Nonconformities, Errors and Omissions

1.5.1 Variations and Deviations

Variations or deviations to the Employer's Requirements, and any other factors that are in excess of the requirements of the Bidding Document, shall not be taken into account in bid evaluation.

The Employer reserves the right to accept or reject any variation or deviation. Minor acceptable variations or deviations to the Employer's Requirements in so far as practicable may, at the sole discretion of the Employer, be converted into monetary value as Quantifiable Nonconformities in accordance with Sub-Clause 1.5.2 below for the purpose of evaluation and comparison of Bids.

1.5.2 Evaluated Cost of Nonconformities, Errors and Omissions

Subject to ITB 14.2 and ITB 37.2, the evaluated cost of quantifiable nonconformities, errors and/or omissions is determined as follows.

Pursuant to ITB 31.3 the cost of all quantifiable nonmaterial nonconformities shall be evaluated, including omissions in Daywork where competitively priced but excluding omission of prices in the Bill of Quantities. The Employer will make his own assessment of the cost of any nonmaterial nonconformities and omissions for the purpose of ensuring fair comparison of Bids.

The evaluated cost of making good any deficiency in technical or financial compliance is added to the Bid Price. The adjustment should be based on a reasonable estimate of the price, taking account of the corresponding quotations in the other Bids under evaluation, nevertheless the Employer shall at his discretion use parameters consistent with those contained in the Bidding Document and/or other information/data as necessary and available with and/or collected by the Employer. If other minor deviations and departures are contained in the Bid, due adjustment of the Bid Price is made to rectify such deviations and departures with reference as far as possible to corresponding prices in the other Bids under evaluation.

2 Qualification

2.1 Eligibility

Criteria	Compliance Requirements			Documents
Requirement	Single Entity	Joint Venture		Submission Requirements
		All Partners Combined	Each Partner	

2.1.1 Nationality

Nationality in accordance with ITB 4.2.	Must meet requirement	Must meet requirement	Must meet requirement	Not applicable	Forms ELI-1; ELI-2 with attachments
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2.1.2 Conflict of Interest

No conflicts of interest in accordance with ITB 4.3.	Must meet requirement	Must meet requirement	Must meet requirement	Not applicable	Letter of Technical Bid
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2.1.3 ADB Eligibility

Not having been declared ineligible by ADB, as described in ITB 4.4.	Must meet requirement	Must meet requirement	Must meet requirement	Not applicable	Letter of Technical Bid
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2.1.4 Government-Owned Entity

Bidder required to meet conditions of ITB 4.5.	Must meet requirement	Must meet requirement	Must meet requirement	Not applicable	Forms ELI-1; ELI-2 with attachments
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2.1.5 United Nations Eligibility

Not having been excluded by an act of compliance with a United Nations Security Council resolution in accordance with ITB 4.8.	Must meet requirement	Must meet requirement	Must meet requirement	Not applicable	Letter of Technical Bid
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2.2 Historical Contract Nonperformance

2.2.1 History of Nonperforming Contracts

Criteria	Compliance Requirements			Documents	
	Single Entity	Joint Venture			
Requirement			All Partners Combined	Each Partner	One Partner
Non-performance of a contract ^a did not occur as a result of contractor default since 1 st January 2011.	Must meet requirement	Must meet requirement	Must meet requirement ^b	Not applicable	Form CON-1

^a Nonperformance, as decided by the Employer, shall include all contracts where (i) nonperformance was not challenged by the contractor, including through referral to the dispute resolution mechanism under the respective contract; and (ii) contracts that were so challenged but fully settled against the contractor. Nonperformance shall not include contracts where the Employer's decision was overruled by the dispute resolution mechanism. Nonperformance must be based on all information on fully settled disputes or litigation, i.e. dispute or litigation that has been resolved in accordance with the dispute resolution mechanism under the respective contract and where all appeal instances available to the Bidder have been exhausted.

^b This requirement also applies to contracts executed by the Bidder as JV member.

2.2.2 Suspension Based on Execution of Bid-Securing Declaration

Criteria	Compliance Requirements			Documents	
	Single Entity	Joint Venture			
Requirement			All Partners Combined	Each Partner	One Partner
Not under suspension based on execution of a Bid-Securing Declaration pursuant to ITB 4.6.	Must meet requirement	Must meet requirement	Must meet requirement	Not applicable	Letter of Technical Bid

2.2.3 Pending Litigation and Arbitration

Pending litigation and arbitration criterion shall not apply.

2.3 Financial Situation

2.3.1 Historical Financial Performance

Criteria	Compliance Requirements			Documents	
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	
<p>Submission of audited financial statements or, if not required by the law of the Bidder's country, other financial statements acceptable to the Employer, for the immediate last five (5) years to demonstrate the current soundness of the Bidder's financial position.</p> <p>As a minimum, the Bidder's net worth for the last year calculated as the difference between total assets and total liabilities should be positive.</p>	Must meet requirement	Not applicable	Must meet requirement	Not applicable	Form FIN - 1 with attachments

2.3.2 Average Annual Construction Turnover

Criteria	Compliance Requirements			Documents	
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	
<p>Minimum average annual construction turnover of US\$ 70 million or equivalent calculated as total certified payments received for contracts in progress or completed, within the immediate last five (5) years.</p>	Must meet requirement	Must meet requirement	Must meet twenty five percent (25%) of the requirement	Must meet forty percent (40%) of the requirement	Form FIN-2

2.3.3 Financial Resources Requirement

If the Bid evaluation process and the decision for the award of the Contract takes more than one year from the date of Bid submission, Bidders shall be asked to resubmit their current contract commitments and latest information on financial resources supported by latest audited accounts / audited financial statements, or if not required by the law of the Bidder's country, other financial statements acceptable to the Employer, and the Bidders' financial capacity shall be reassessed on this basis.

Criteria Requirement	Compliance Requirements			Documents Submission Requirements	
	Single Entity	Joint Venture			
		All Partners Combined	Each Partner	One Partner	
For Single Entities: The Bidder must demonstrate that its financial resources defined in FIN-3, less its financial obligations for its current contract commitments defined in FIN-4, meet or exceed the total requirement for the Subject Contract of US\$ 10,000,000 or equivalent	Must meet requirement	Not applicable	Not applicable	Not applicable	Form FIN-3 and Form FIN-4
For Joint Ventures: (1) One partner must demonstrate that its financial resources defined in FIN-3, less its financial obligations for its own current contract commitments defined in FIN-4, meet or exceed its required share of US\$ 4,000,000 or equivalent from the total requirement for the Subject Contract AND (2) Each partner must demonstrate that its financial resources defined in FIN-3, less its financial obligations for its own current contract commitments defined in FIN-4, meet or exceed its required share of US\$ 2,500,000 or equivalent from the total requirement for the Subject Contract AND (3) The Joint Venture must demonstrate that the combined financial resources of all partners defined in FIN-3, less all the partners' total financial obligations for the current contract commitments defined in FIN-4, meet or exceed the total requirement for the Subject Contract of US\$ 10,000,000 or equivalent	Not applicable	Not applicable	Not applicable	Must meet requirement	Form FIN-3 and Form FIN-4
	Not applicable	Not applicable	Must meet requirement	Not applicable	Form FIN-3 and Form FIN-4
	Not applicable	Must meet requirement	Not applicable	Not applicable	Form FIN-3 and Form FIN-4

2.4 Construction Experience

2.4.1 Contracts of Similar Size and Nature

Criteria	Compliance Requirements			Documents	
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	
<p>Participation as a contractor, Joint Venture partner, or Subcontractor, in at least two (2) contracts that have been successfully or substantially completed within the last ten (10) years prior to last date of bid submission and that are similar to the proposed works, where the value of the Bidder's participation under each contract exceeded US\$ 100 million or equivalent.</p> <p>The similarity of the Bidder's participation shall be based on the physical size, nature of works, complexity, methods, technology or other characteristics as described in Section 6 (Employer's Requirements).</p>	Must meet requirement	<p>Must meet requirement as follows:</p> <p>(i) Either one partner must meet requirement; or</p> <p>(ii) Any two partners must each demonstrate one (1) successfully or substantially completed contract of similar size and nature</p>	Not applicable	Not applicable	<p>Form EXP-1</p> <p>Completion Certificates (certified English translations)</p>

2.4.2 Construction Experience in Key Activities

May be complied with by the Bidder or by Specialist Subcontractor. If Specialist Subcontractors are proposed by the Bidder for the performance of key activities, each Specialist Subcontractor must have experience in the respective key activity as a single entity.

If the key activity is to be undertaken by a Specialist Subcontractor, the Employer shall require evidence of the subcontracting agreement from the Bidder.

Criteria	Compliance Requirements		Documents
Requirement	Single Entity or its Specialist Subcontractors	Joint Venture or its Specialist Subcontractors	Submission Requirements
<p>For the above or other contracts executed during the period stipulated in Sub-Clause 2.4.1, a minimum construction experience is required in the following key activities:</p>			
<p>(i) The Bidder has achieved successful or substantial completion of not less than two (2) concrete gravity dams, each with a maximum height above foundation level of not less than 80 m and a concrete volume of not less than 300,000 m³.</p>	Must meet requirements	Must meet requirements	<p>Form EXP – 2</p> <p>Completion Certificates <u>and</u> relevant extracts from Progress Reports (certified English translations)</p>

Criteria	Compliance Requirements		Documents
	Requirement	Single Entity or its Specialist Subcontractors	Joint Venture or its Specialist Subcontractors
(ii) The Bidder has achieved successful or substantial completion of <u>foundation grouting beneath</u> at least two (2) concrete dams each having a total grouting length of not less than 40,000 m (curtain and consolidation grouting).	Must meet requirements	Must meet requirements	Form EXP – 2 Completion Certificates and relevant extracts from Progress Reports (certified English translations)
(iii) The Bidder has achieved successful or substantial completion of <u>concrete lined diversion tunnels</u> , with an inner diameter of not less than 5 m , for river diversion at not less than two (2) dam sites.	Must meet requirements	Must meet requirements	
(iv) The Bidder has successfully completed the <u>detailed design</u> ^[1] of not less than two (2) concrete gravity dams , with the minimum dimensions as required in key activity (i) above.	Must meet requirements	Must meet requirements	
(v) The Bidder has achieved successful or substantial completion of <u>secant concrete bored pile walls</u> on not less than two (2) contracts, the walling on each contract with a diameter not less than 1000 mm and also having a total net elevation area of walling of not less than 2,000 m² .	Must meet requirements	Must meet requirements	

Note [1]: Detailed design is defined as the final design, including complex stress calculations of 3-dimensional structures and all detailed design required for execution of the construction works.