

Consulting Services (Energy Sector – District Heating Systems)

International Public Bidding (with Pre-qualification)

- Country:** Serbia
- Reference-No.:** BMZ-No.: 2013 65 766, 2013 70 071
- Submission Deadline:** July 1st, 2019 (12:00 local time in Serbia)
- Prequalification:** Invitation for Expression of Interest
- Reference:** International open tender for Consulting Services for the Project “Rehabilitation of District Heating Systems in Serbia - Phase V (the “Project”).
- Employer:** Republic of Serbia - Ministry of Mining and Energy (MoME)
- Financing:** The Project will be financed by KfW with a loan in the amount of EUR 30 million.
- Project Measures:** The Project comprises the rehabilitation of the District Heating Systems in ca. 8 Serbian municipalities. The measures include but are not limited to the following investments (brief summary):
- construction or upgrading or replacement of heat generation facilities,
 - replacement and/or extension of networks,
 - upgrading, replacement or installation of substations,
 - installation, upgrading or extension of modern SCADA systems.

Project Background: Serbia – like many countries in the region – is characterised by a large district heating sector. However, lack of investment and maintenance in the past has left many district heating companies (DHCs) in a poor state; i.e. oversized and inefficient boilers, degraded distribution systems with excessive losses of water and heat as well as old and mostly unregulated heating substations lead to low system efficiencies and high operating costs. On the consumption side, low levels of energy efficiency in the final use result in over-heating and insufficient collection rates due to decreased customer affordability. Consequently, tariffs and revenues below cost-coverage weigh heavily on several DHCs balance sheet.

As the Serbian government emphasizes the importance to increase energy efficiency, it has passed crucial reforms during the last years. The Law on Efficient Use of Energy came into force in 2013. In 2017, the third National Energy Efficiency Action Plan (NEEAP) has been launched setting a quantitative target for the reduction of final energy consumption for the period 2016-2018. The national energy efficiency targets are set in accordance with the EU directive for energy efficiency.

The general strategic framework is set out by the Energy Sector Development Strategy of the Republic of Serbia for the period by 2025 with projections by 2030. Not least and besides stressing the need to increase the share of renewable energy in the Serbian energy mix, the strategy aims for the rehabilitation district heating systems (DHS).

Concretely, it foresees to put forward 1) the reduction of energy losses in the district heating networks and the continuous modernization of the existing DHSs and 2) the introduction of measurements of heat consumption at end user level, which is linked with billing according to the supplied energy.

The Project addresses these investment needs and contributes to consolidate previous achievements to further enhance the technical and financial sustainability of the municipalities/DHSs in Serbia. Particularly, it focuses on needed rehabilitation measures including the provision of modern equipment and institutional strengthening of participating municipalities/DHSs.

This will be important to ensure economic viability of the systems while progressing in terms of national energy strategies and converging to EU-standards in the scope of EU rapprochement.

Requested Consulting Services:

The consultants shall provide expertise of concept preparation, tendering, engineering, design and project management, and project execution services to the Employer to ensure the implementation of the Project with respect to time, cost and quality.

The consulting services comprise in general the following main tasks:

- Preparation of the particular Investment Plans for each participating DHC.
- The consultant will fulfill the role of a Tender Agent; i.e. preparation of the tender documents acc. to FIDIC standard conditions of contract (Yellow Book and/or Pink Book), management of the tender process, evaluation of the bids, preparation and negotiation of the respective contracts.
- Regular assistance to the FIDIC Eng. appointed by the DHC.
- Overall supervision of the entire works to be executed (monitoring of a proper implementation according to the contract, including checking of invoices by contractor(s) / issuing of the Payment certificates and countersigning the requests for payment);
- Quality control (ISO 9001 and 14001), compliance of HSE requirements (OSHAS 18001 or ISO 45001);
- Reporting to MoME and KfW.
- FIDIC trainings for the DHCs' relevant staff (in Serbian – mandatory)

The consulting services comprise also the implementation of institutional measures such as:

- Improve Management Capacities of the DHC's
- Introduction of institutional and organizational optimizations if and where deemed necessary
- Elaboration of Business policies and long-term planning tools
- Customer Relations Management
- Financial Planning and Monitoring (medium and long-term income and expense calculations, financial modelling etc.)

etc. according to needs as identified by the implementation consultant and MoME.

The Consultant shall develop a procurement strategy for the Project in close consultation and cooperation with the MoME and the affected municipalities/DHCs.

The award of the Consulting services is planned for end of 2019. The duration of the Consultant's assignment is planned to be 60 months.

The prequalification for consulting services will be guided by the latest version of the "Guidelines for the Procurement of Consulting Services, Works, Plant, Goods and Non-Consulting Services in Financial Cooperation with Partner Countries".

https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Richtlinien/Vergaberichtlinien-2019-Englisch-Internet_2.pdf

It is foreseen to assign the services to an independent consultant firm with proven experience in the implementation of similar projects with similar tasks. Consulting firms with regional experience in former Yugoslavian countries plus Bulgaria and Romania are preferred. The Bidder shall show a necessary average annual turnover of more than EUR 1.0 million over the last three years. A consortium or joint venture needs to show a total average annual turnover of EUR 1.1 million over the last three years, whereas the lead partner shall show an average annual turnover of more than EUR 0.8 million.

More detailed information about the project, content and form of the application documents and the scope of services of the Consultant can be requested from the Tender Agent (TA). Without this information, it might not be possible to produce a compliant Expression of Interest. Moreover, detailed Terms of Reference will be provided to consultant that submitted an expression of interest and that have been successful prequalify.

For any request to or correspondence with the TA, the responsible person of the Employer shall be taken in cc.

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