



*Montenegro*  
*Ministry of Economy*

**PUBLIC ANNOUNCEMENT FOR PREQUALIFICATION  
FOR CONCESSION AWARD FOR EXPLOITATION OF WATER FLOWS FOR  
CONSTRUCTION OF SMALL HYDROPOWER PLANTS IN MONTENEGRO**



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According to article 21 and 38 of the Law of concessions ("Official Gazette of Montenegro", no. 08/09), the Ministry of Economy is announcing:

**PUBLIC ANNOUNCEMENT FOR PREQUALIFICATION FOR AWARDED CONCESSIONS FOR EXPLOITATION OF WATERFLOWS FOR CONSTRUCTION OF SMALL HYDROPOWER PLANTS IN MONTENEGRO**

The Ministry of Economy of the Government of Montenegro (Authorized body) is inviting all investors who are interested, to submit applications for the Public announcement for prequalification for awarding concessions for exploitation of water flows for construction of small hydropower plants in Montenegro (Public announcement for prequalification). Concessions will be awarded in accordance with the two-stage procedure of the public bidding process. The main purpose of the public bidding is selection of a good quality concessionaire in order to maximize the hydro-energy potential for construction of small hydropower plants (sHPP) (installed capacity up to 10 MW, according to the Law on Energy, "Official Gazette of Montenegro", no. 39/03)) on ten water flows on which the concessionary activities will take place.

**1. THE DESCRIPTION OF THE CONCESSION AND LOCATION WHERE THE CONCESSION ACTIVITY WILL TAKE PLACE**

The object of concession is designing, implementation, usage, and maintenance of SHPs on water flows. Ten separate water flows are the locations on which the concessionary activity will take place. The water flows are divided into three main groups: Šavnička, Beranska, and Plavska. The list of the water flows with clearly defined borders of locations, at which the concessionary activity will take place, with length and gross downturn of water flow, as well as the groups they belong to, is given in Table 1.

**Table 1. Water flows - specific locations on which the concession activities will take place**

<b>Id. No.</b>	<b>Water flow</b>	<b>Length of the water flow [km]</b>	<b>Gross Downturn of waterflow [m]</b>	<b>Height of the spring [m]</b>	<b>The height of the delta [m]</b>
<b>Šavnička group</b>					
1	Vrbnica	8.50	535	1215	680
2	Bukovica	20.10	490	1440	950
3	Tušina	16.30	630	1580	950
4	Bijela	9.20	217	1050	833
<b>Beranska group</b>					
5	Trepačka River	14.98	850	1560	710
6	Kraštica	9.60	450	1180	730
7	Murinska River	6.53	810	1640	830
<b>Plavska group</b>					
8	Velička River	7.90	1045	1900	855
9	Komarača	4.93	155	1060	905



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10	Durička with its branches	8.10	104	1010	906
		7.48	580	1590	1010
		6,63	835	1845	1010

Information on the water flows, as well as their estimated powers and annual production of electrical energy, were obtained from a one - year research and hydrometric measurements, which were published in the following studies:

- Hydrological analysis of small (mini, micro) hydropower plants (sHPP) for branches of main waterflows in Montenegro, Hydrological Department of Hydrometeorological Institute of Montenegro (HMZCG), 2007; and
- Primary (rough) elaboration of hydro potential on main waterflows of Rivers Piva and Lim, of small, mini or micro (sHPP) in Montenegro, Hydrological Department HMZCG, 2008.

Both studies can be found on the web site of the Authorized body [www.minekon.gov.me](http://www.minekon.gov.me) and the web site for renewable energy sources in Montenegro [www.oie-cq.me](http://www.oie-cq.me) (Web sites).

## 2. MAIN COMPONENTS OF CONCESSIONARY ACT

Concessionary Act for concession award for exploitation of water flows for construction of small hydropower plants in Montenegro (Concessionary Act) is the main document, that is used to initiate the process of concession award, and which the Government of Montenegro has adopted during the official government assembly held on 30. 07. 2009. Concessionary Act consists of the information and analysis directly related to the process of concession award for exploitation of water flows for construction of small hydropower plants in Montenegro. This document explains activities and obligations of a bidder during the public bidding process, as well as conditions and obligations that concessionaire needs to fulfill while concessionary activity is taking place. Concessionary Act can be found on the previously mentioned web sites.

## 3. PUBLIC BIDDING PROCEDURE

Public bidding procedure in a two-stage process is explained in more details in the Prequalification documentation. The process starts with the publication of the Public announcement for prequalification for the group of waterflows from the Table 1., namely Šavnička, Berkanska and Plavska group.

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1 Jasenicka and Trokutska River combined, form Djuricka River, at the elevation of 1010 m. The research and hydrometric measurements have taken place at Trokutska River, after which the preliminary hydro potential research of that river was done. Djuricka River is where the concessions activities will take place, specifically Djuricka River (with length of 8,10 km, between 1010 m and 906 m), Trokutska River on which hydrological researched has been done (with length of 7,48 km, between 1590 m and 1010 m), and Jasenicka River (with length of 6,63 km and elevation between 1845 and 1010 m).



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The application can be submitted for at most two out of the three mentioned groups of the water flows.

In agreement with the Public announcement for prequalification, the bidder is expected to submit the application, detailed content of which is explained in the Prequalification documentation. The Prequalification documentation can also be found on the previously mentioned web sites.

### **3.1. The content of the application**

The applications must be submitted in Montenegrin language. If the documents from the application are submitted in a foreign language, the bidder is obliged to submit a certified translation in Montenegrin as well. In case of dispute, the certified translation will be used to interpret information and evidence.

The application responding to the Public announcement is delivered in the closed cover, which consists of two separate envelopes:

- an envelope with the documents used for confirming eligibility of the bidder, clearly marked "PODOBNOŠT PONUĐAČA" (meaning BIDDER'S ELIGIBILITY in Montenegrin), which consists of an original and a copy, and
- an envelope with the documents used for confirming the fulfillment of the criteria for the prequalification, clearly marked "TEHNIČKA PONUDA" (meaning TECHNICAL APPLICATION in Montenegrin), which consists of an original and a copy.

On the closed cover of the application the complete name of the bidder along with "ZA JAVNI OGLAS ZA PRETKVALIFIKACIJU ZA DAVANJE KONCESIJA ZA KORIŠĆENJE VODOTOKA ZA IZGRADNJU MALIH HIDROELEKTRANA U CRNOJ GORI - POVJERLJIVO NE OTVARATI" (meaning FOR THE PUBLIC ANNOUNCEMENT FOR PREQUALIFICATION FOR CONCESSION AWARD FOR EXPLOITATION OF FOR CONSTRUCTION OF SMALL HYDROPOWER PLANTS IN MONTENEGRO – CONFIDENTIAL DO NOT OPEN) must be clearly marked in capital letters. An integral part of the application represents the completed forms that can be found in Prequalification documentation. All forms must be signed by a person authorized by the bidder.

#### **3.1.1. Bidder's eligibility**

The right to submit the application for the Public announcement for prequalification have: national or foreign business firms or other legal entities, entrepreneur or private person, consortium or other form of business association that possesses the qualifications to prove the eligibility for participation at the given Public announcement. If the bidder is the consortium or other form of business association, they are obliged to submit the agreement of consortium or an adequate agreement of forming a business partnership. Evidence needed for confirming the eligibility of the bidder is explained in the Prequalification documentation.

Other than fulfilling the mandatory conditions and criteria for participation in the Public announcement for prequalification, the bidder is expected to deliver a bank guarantee for application in the amount of 10.000 €. The bank guarantee for application will be activated in case a qualified bidder does not submit any bid for group(s) of water flows for which they received a status of a qualified bidder. The bank guarantee for application for a bidder that did not receive a



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status of the qualified bidder will be returned to the bidder during the period of 30 days from the day the applications are opened.

### **3.1.2. Technical application**

The evaluation of applications during the prequalification process will be done for all three groups of the water flows, after which all qualified bidders will be selected for each respective group of water flows. The Prequalification documentation explains which documents are needed to determine the fulfillment of the prequalification criteria.

If requested by Tender Commission, which conducts the public bidding procedure in a two-stage process, a bidder is obliged to submit a clarification of a technical application. The request for the clarification will not require the bidder to change or update the application, nor will the bidder be allowed to do so with the clarification.

### **3.2 Submitting the application**

The bidder submits the application to the archive office of The Ministry of Economy of the Government of Montenegro, Rimski Trg 46, Podgorica. **The deadline for submitting the application is 23.10.2009 until noon (12:00h).**

The bidder has the right to, using a written request, cancel the application, which must be done the latest before the abovementioned deadline. The application is officially canceled once the written request for the cancellation of the application has been received, after which it will be immediately returned to the bidder, unopened.

The application submitted after the deadline will not be valid and it will not be taken into consideration. It will also be delivered, unopened, to the bidder.

### **3.3 Opening of applications**

The public opening of the applications will take place in the offices of The Ministry of Economy of the Government of Montenegro, Rimski Trg 46, Podgorica, on 23. 10. 2009, beginning at 2:00pm. The bidder, represented by official representatives, has the right to attend the ceremony of opening the covers of the applications, opening the envelopes with the documentation used for confirming the eligibility of the bidder, as well the inspection of such documentation ("PODOBNOŠT PONUĐAČA" - meaning BIDDER'S ELIGIBILITY in Montenegrin).

If the Tender Commission, after opening the envelope and checking the necessary documentation used for confirming the eligibility of the bidder, discovers that the bidder is not eligible, such application will be rejected as ineligible and it will not be taken into consideration during the rest of the process of public bidding.

Opening of the envelopes with the documentation used for confirming the fulfillment of the criteria for the prequalification ("TEHNIČKA PONUDA" - meaning TECHNICAL APPLICATION in Montenegrin), inspection, examination, and evaluation of the applications will take place without the presence of the bidders' official representatives.

### **3.4 Evaluation and ranking of applications**



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During the process of the prequalification, applications will be evaluated and ranked according to the prequalification criteria for the evaluation of applications. Ranking of the applications will be done for each group of the water flows separately, that is, three ranking lists of the bidders will be formed at the end of the prequalification process.

The prequalification criteria as well as subcriteria, along with the corresponding number of points, are shown in Table 2.

Table 2. Bidding criteria for application in prequalification

<b>Ref.</b>	<b>Criteria/ Sub-criteria</b>	<b>No. of points</b>
P.1.	Technical capacity	0-45
<b>P.1.1.</b>	<b>Experience in the design and planning and construction of sHPP</b>	<b>0-15</b>
<b>P.1.2.</b>	<b>Experience in the management of sHPP</b>	<b>0-5</b>
<b>P.1.3.</b>	<b>Capacity of constructed hydro-energy facilities</b>	<b>0-15</b>
<b>P.1.4.</b>	<b>Capacity of managed hydro-energy facilities</b>	<b>0-10</b>
P.2.	Financial capacity	0-30
P.3.	Participation on Montenegrin market	0-25
<b>P.3.1.</b>	<b>Positive business operations of the firm registered in Montenegro</b>	<b>0-15</b>
<b>P.3.2.</b>	<b>Experience in construction of complex objects and design and planning of hydropower plants in Montenegro</b>	<b>0-10</b>

The status of a qualified bidder is issued to the bidder whose application is awarded 85 (eighty-five) or more points in the prequalification process for the respective group(s) of the water flows. In case that such number of points is not awarded to at least five bidders for the respective group(s) of the waterflows, the bidder whose application is among the five best ranked applications receives the status of the qualified bidder for that group of the water flows.

### **3.5. The process of public bidding for the qualified bidders**

Qualified bidder can obtain the Tender documentation every working day from the archive office of the Authorized body, offering the proof of a received status of the qualified bidder, as well as the bank statement showing the payment order of 100 € (hundred euros) deposited for the purchase of the Tender documentation.

Qualified bidders can submit bids for the individual water flows in the group(s) of the water flows for which they received the status of the qualified bidder in a given period. The qualified bidder will prepare required technical documentation to be included in the bid – namely the Preliminary design.

Ranking list of the qualified bidders is determined for every individual water flow. The qualified bidder that submits the most favorable offer and whose Preliminary design is accepted, will be ranked first on the list for a given water flow.



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#### **4. THE MODIFICATIONS OF THE PUBLIC ANNOUNCEMENT CONDITIONS AND THE FINAL DECISION PROCESS**

The modifications and/or additions to the Public announcement for prequalification have to be done the same way the original content of the Public announcement for prequalification has been done, considering that the deadline for submitting the application must be extended for the period of time that passed since the day of publication of the Public announcement.

Authorized body keeps the right to cancel or pronounce failed the Public announcement for prequalification anytime before the deadline for submitting of the application or the deadline for submitting the offer has passed. It also keeps the right to refuse to issue the concession to any bidder for the group(s) of the water flows or for an individual water flow to be used for construction of sHPP.

#### **5. CONTACT PERSONNEL AND ADDITIONAL INFORMATION**

The interested investor can, in a written form, ask for additional information or explanation regarding the preparation of an application, the latest 5 (five) working days before the deadline for submission of the application. Questions and answers will be posted on the previously mentioned web sites. Contact persons:

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