SCIENCE AND TECHNOLOGY PARK IN NIŠ (STP NIŠ)-NEW BILDING CONSTRUCTION WORKS EXECUTION (PROCUREMENT NO.IOP/13-2018/RD) Clarification no. 3

Issued on May 25, 2018

Regarding the list of question that the Purchaser, Public Investment Management Office Belgrade, No. 11 Nemanjina street, have received from the potential bidders, concerning the procurement procedure: Science and Technology Park in Nis (STP Nis), New building construction works execution no. IOP/13-2018/RD, we give you the following answers:

Question 1:

On page number 32 for procurement number IOP13-2018RD, Construction of science and technology park in Nis, under section 4. Financial Position, subsection 4.2, condition for all tenderers in case of joint venture is to provide evidence for following:

4.2. The Tenderer should have SCORING assigned with a rating of minimum BB for a period of years 2012-2016.

Law on Public Procurement clearly says that Investors must write procurement conditions to be such as to enable as many bidders possible to participate in the public procurement procedure.

We want to urge on you, as Investors, to change this condition for tenderers where requirement will be lower than BB or delete this condition in total, since we think that this condition is very hard to fulfill and discriminatory for potential bidders from Serbia. Current situation in construction industry in Serbia is not really good since most of construction companies in Serbia that work for budget users (Ministry, Local government...), have a lot of unpaid contracts or payment certificates out of the currency and because of that most of those companies have lower scoring then BB.

We understand that you, as Investors, want to sign a contract for this project with bidder that has lowest price and serious references, technical and financial capacity, since this project requires construction company with such capabilities, but there are other conditions in this procurement in which bidders can prove their professional capabilities and ability to build objects as this one.

Answer 1:

Bearing in mind the importance of the project as well as the subject of the works, we deem that the bidders who will carry out the works must be financially stable, with the liquid assets and effective management and have a high degree of financial flexibility.

The Scoring BB levels is exactly the level that undoubtedly meets the justified requirements of the Purchaser. It is true that other business and financial indicators demonstrate financial stability and capabilities of the bidders, but the Scoring undoubtedly confirms that, because it incorporates all imortant finacial indicators.

Bearing in mind the source of funding for this project, the Purchaser should not take any risks while choosing the bidders, because the funds are quantitatively and time-limited. Further more, when it comes to procurements with large estimated value, the Bank's guide to procurement prescribes that the tender is conducted according to the international open procedure which opens up the possibity of larger number off foreign bidders to participate.

On the other hand, considering the current state of the market, the competition is ensured.

For these reasons, the Purchaser sticks to their decision regarding the request of financial capacity, i.e. scoring BB.

Miloš Vojnov