

## Request

### for the Proposals for Participation in a Selection Procedure for the Establishment/Arrangement of Vehicle Periodic Technical Inspection Centers to Obtain the Accreditation

#### Introduction

Some type of vehicles operating in the territory of Georgia and registered in the manner prescribed by the legislation of Georgia are subject to the periodic technical inspection tests from 31 December 2017.

The frequency of periodic technical inspections of vehicles according to their category and purpose is determined by the Decree №37 of the Government of Georgia of 3 January 2014 on “Approval of Technical Regulation on Frequency of Tests for Vehicles of Different Categories”.

Legal framework, management system, material-technical base and personnel qualification of vehicle periodic technical inspection centers (hereinafter “**Inspection Centers**”) shall meet the requirements set out towards them by the Georgian Legislation. Compliance of Inspection Centers with these requirements is checked by the LEPL "United National Accreditation Body - Accreditation Center" (hereinafter “**Accreditation Center**”) while carrying out accreditation and monitoring. Accreditation of Inspection Centers is carried out according to the Technical Regulation approved by the Decree №511 of the Government of Georgia of 1 December 2017 on the “Requirements for Buildings, Equipment and Technical Qualification of Personnel of the Periodic Vehicle Technical Inspection Centers” and 16 March 2010 №1-1/330 Order of Minister of Economic Development on “Approval of Statute of LEPL "United National Accreditation Body - Accreditation Center" (hereinafter “**Order**”) .

Technical parameters of vehicles and testing methods of these parameters (instrumental and organoleptic) are reflected under the Georgian Legislation (1 December 2017 Decree №510 of the Government of Georgia on “Approval of Technical Regulation on Periodic Technical Inspection of Vehicles and their Trailers”).

In order to start the inspection of the entire vehicle fleet existing in Georgia, it is necessary on the one hand to mobilize the existing Inspection Centers and on the other hand to create the suitable conditions for establishment/arrangement of the new and/or

additional Inspection Centers in the regions, where the Vehicle Periodic Technical Inspection service interruption risks exist.

Accordingly, by this Request for Proposals (hereinafter “**Selection Procedure**”/”**RFP**”), the Ministry of Economy and Sustainable Development of Georgia (hereinafter “**MoESD**”) invites local and international companies or groups of companies - Consortiums (hereinafter “**Interested Parties**”) to express their interest for the Establishment/Arrangement of Inspection Centers to Obtain the Accreditation pursuant to this RFP and Annex 2.

### **1. Location, Key figures and Data**

1. Each of the Inspection Centers shall be in compliance with the requirements of the Technical Regulation approved by the 1 December 2017 Decree №511 of the Government of Georgia on the “Requirements for Buildings, Equipment and Technical Qualification of Personnel of the Periodic Vehicle Technical Inspection Centers.”.
2. Location of the Inspection Centers, their geographical dispersion, types and number of test lanes (hereinafter LOTs) for each Inspection Center is indicated under the Annex 2.

### **2. Service Tariffs**

Inspection Centers service fees are determined by 3 January 2014 Decree №37 of the Government of Georgia on the approval of “Frequency and Fees of Tests for Vehicles of Different Categories”.

### **3. Undertakings of the Government of Georgia**

1. MOESD will grant the Winner(s) of the Selection Procedure right to run the Inspection Centers with the conditions set forth in this RFP (as well as in the Agreement) on the LOTs stipulated under the Annex 2 for the period of 10 years after signing the Agreement.
2. 10 years period, envisaged by paragraph 1 of this article does not prejudice the rights of the Winner(s), selected in accordance with the present RFP to continue operation of Inspection Centers on the LOTs where they were declared as the Winners, after the expiry of 10 years period from the signing of the relevant Agreement. In this case, MoESD reserves the right to conduct the new Selection Procedure notwithstanding the preconditions envisaged by paragraph 4 of this article.

3. Rights to run/operate Inspection Centers envisaged by paragraphs 1 and 2 of this article are terminated in case the accreditation of the Winner(s) Inspection Center(s) is terminated pre-term for any reason.
4. MOESD will not announce new Selection Procedure for the LOTs indicated under the annex 2 within the timeframe envisaged by paragraph 1 of this article, unless:
  - a) Winner(s) indicated under the paragraph 1 of this article and/or other Inspection Centers have lost the accreditation for any reason whatsoever;
  - b) exists the growing demand for the vehicle periodic technical inspection and/or number of Inspection Centers is decreasing;
5. Terms used in this RFP have the meaning of the terms indicated under the Annex 1 of the Order.

#### **4. Major Requirements for the Project**

1. Winners of the Selection Procedure for the purpose of obtaining the accreditation shall establish/arrange the Inspection Centers and shall obtain the accreditation no later than 20 December 2018.
2. The Winner of the Selection Procedure is responsible to carry out the Project by its own capital and/or attracted funds.

#### **5. Conditions for the Participation of the Interested Parties in the Selection Procedure**

1. For the obtaining of accreditation the Interested Parties shall provide to the MoESD application within the timeline, envisaged under the RFP, accompanied by the following documents:
  - a. Unconditional and irrevocable bank/insurance guarantee issued in accordance with the requirements of RFP in the amount of 100 000 (one hundred thousand) GEL for each of the testing lanes from the LOT selected (LOT) by the Interested Party;
  - b. Proposal for payment of Agreement Signing Bonus of at least 750 000 (seventy five thousand) GEL for each LOT;
  - c. Corporate documents of legal entity (in case of company);
  - d. Action plan on the measures to be implemented for establishment/arrangement of Inspection Centers for the purpose of obtaining accreditation. Action plan shall include:
    - Submission date of documents to the MoESD, certifying purchasing of Inspection Center's equipments, which shall not exceed 30 calendar days from the signing of the Agreement;

- Submission date for approved architectural-constructional project to the MoESD, which shall not exceed 60 calendar days from the signing of the Agreement;
  - Submission date of application in the Accreditation Center for receiving accreditation, which shall be no later than 20 September 2018.
- e. Experience statement, evidencing that Interested Party or the Interested Party's named subcontractors' have international experience of conducting periodic technical inspection of vehicles for at least 5 years. Where the Interested Party's experience statement relies upon the experience of named subcontractors, the Interested Party shall also provide (include) confirmation from each of the named subcontractor of its willingness to participate in the Selection Procedure. The experience statement shall be accompanied by the relevant documents and certificates;
  - f. Where the Interested Party is consortium, list of consortium members and experience statement for each member.
2. Interested Parties can submit applications to the MoESD for one or more LOT indicated under the Annex N2. Application for each LOT shall be submitted separately.
  3. Interested Parties shall submit the applications to the MOESD from 13 April 2018 to no later than 21 May 2018 (18:00 hour Tbilisi time).
  4. All the applications must be delivered in a signed original copy in a sealed envelope. Interested Party shall write down on the envelope the number of the LOT given in Annex 2 for which the application is being submitted.
  5. Receiving of applications for the Selection Procedure, shall commence on the day and hour indicated in this article. Applications submitted after the deadline will not be accepted. Submission time of the application is the time of its registration in MoESD.
  6. Interested Party can be denied the right to participate in the Selection Procedure for non-compliance with the requirements of the present RFP.

## **6. Unconditional and Irrevocable Bank/Insurance Guarantee and the Signing Bonus**

1. Unconditional and irrevocable bank/insurance guarantee (hereinafter "**Guarantee**") mentioned in this RFP shall be issued by the Bank or Insurer which is licensed in Georgia in accordance with the effective Georgian Legislation.
2. Amount of Guarantee ensures:
  - a. Singing of the Agreement and obtaining of the accreditation by the Winner of the Selection Procedure, in accordance with the Georgian legislation and relevant technical regulations into the effect;

- b. Payment of the signing bonus within the time stipulated in this RFP.
3. Guarantee shall remain in force at least for the 1 month from the term of full payment of the signing bonus and obtaining of the accreditation.
4. Guarantee shall be terminated after the Winner of the Selection Procedure within the terms envisaged under the Agreement constructs the Inspection Center, obtains the accreditation and fully pays the Signing Bonus. MoESD shall waive the rights stemming from the Guarantee after 10 working days from the fulfillment of these obligations.
5. Signing bonus shall be paid by the Interested Party no later than 30 calendar days from the signing of Agreement at the bank account indicated by the MoESD. Paid amount is irretrievable.
6. In case of non-fulfillment of the obligations envisaged under paragraph 2 of this article, Guarantee will be remitted into the State Budget of Georgia.

## **7. Rules of Conducting Selection Procedure and Selection of the Winner**

1. The Inter-Agency Commission (hereinafter - the “**Commission**”) established by the MoESD examines the proposals submitted by the Interested Parties.
2. The Winner of the Selection Procedure is (are) the Interested Party(s), whose submitted documents meet the terms and criteria set out by the RFP offering to the MoESD higher amount of Signing Bonus compared to the other participants.
3. After the deadline for the submission of proposals, the Commission shall open the submitted proposals, determine the existence of all necessary documents and their compliance with the provisions provided in the RFP. If the participants’ proposals do not correspond to the conditions specified in the RFP, participant will be rejected from the Selection Procedure and this fact will be recorded in the protocol of the Commission.
4. Financial Proposal (concerning the Signing Bonus) can be opened publicly with the presence of the representatives of Interested Party(s) if they wish so.
5. The Commission examines the proposals of the participants, without their attendance and renders the decision(s).
6. The MoESD announces decision on revealing of the best proposal(s), in general within no more than 5 working days after the opening of the envelope.
7. The Selection Procedure is deemed to be failed if:
  - a. No Proposal was submitted within the term of RFP;
  - b. None of the submitted Proposals comply with the requirements of the Selection Procedure.
8. In the case provided under the paragraph 7 of this article, MoESD declares the Selection Procedure as failed.
9. If the proposals submitted by the several Interested Parties satisfy the signing bonus requirements and other conditions of the Selection Procedure, the Commission is entitled to set out some of the best proposals in sequence.
10. In case two or more proposals offer the highest but equal Signing Bonus for the same LOT, the Commission, if necessary is entitled to determine additional term for the Interested Parties submitting such proposals, for the purpose of submitting improved proposals on Signing Bonus.

11. From the improved proposals submitted within the additional term, the Commission shall select the Winner(s) in accordance with the selecting criteria prescribed in the RFP.
12. Considering the Signing Bonus Criteria, the Commission shall reveal the Winner with whom the Agreement on the establishment/arrangement of the Inspection Center to obtain the accreditation will be concluded.
13. The decision made by the MoESD shall be sent to all the participants. The notification on the signing of an Agreement shall be sent to the Winner(s) of the Selection Procedure.
14. Except to the Winner(s) of the Selection Procedure MoESD returns (waives) the Guarantees to the participants.

## **8. Rules for the Signing of an Agreement**

1. In accordance with the provisions of this RFP MoESD shall conclude an Agreement with the Winner(s) of the Selection Procedure on the establishment/arrangement of the Inspection Center.
2. MoESD shall present to the Winner of the Selection Procedure draft Agreement indicating test lanes announced for each LOT. Under this agreement, the Winner shall take the obligation to ensure the establishment/arrangement of the Inspection Center for the purpose of obtaining accreditation in accordance with the Georgian legislation into the effect, including N511 Decree of the Government of Georgia dated 1 December 2017 on the approval of Technical Regulation – “Requirements for buildings, equipment and personnel of periodic technical inspection centres of motor vehicles”.
3. Within the 14 calendar days of the MoESD’s decision on the approval of the results of Selection Procedure, the Winner of the Selection Procedure is obliged to sign an Agreement with the MoESD.
4. If the Agreement is not concluded with the Winner, MoESD is entitled to conclude an Agreement with the other participant of the Selection Procedure, having submitted second/next best proposal.
5. Agreement concluded by the MoESD with the Winner of the Selection Procedure shall encompass *inter alia* the following information:
  - a. Information regarding contracting parties;
  - b. In accordance with the conditions of the Selection Procedure - undertakings of the Winner to establish/arrange the Inspection Center for the purpose of obtaining an accreditation, including Action Plan for the implementation of the measures for establishment/arrangement of the Inspection Centers with the aim of obtaining an accreditation, as well as obligation to submit to the MoESD and to the Accreditation Center monthly reports on the implementation of the mentioned Action Plan.
  - c. Provisions on imposing the penalties for the violation of the obligations by the Winner and other legal consequences.
  - d. Other information taking into the consideration the peculiarities of the Agreement.

6. The obligations undertaken by the Winner may also be fulfilled through a third party. The Winner is fully responsible before the MoESD for the obligations performed through a third party.

## **9. Responsibility of the Winner**

1. In case of failure to comply with the terms and conditions of this RFP and the relevant Agreement, the Winner of a Selection Procedure shall receive a written notification indicating the term to cure the default and shall be subjected to the penalty for each delayed day with the amount prescribed in the relevant agreement.

2. The repeated failure to fulfill the provisions of the relevant Agreement and non-payment of the penalty within the given term, will be sufficient ground for unilateral termination of Agreement by the MoESD.

## **10. Representations of the MoESD**

1. The MoESD reserves the right to:

a. Without the prior notice waive the Selection Procedure or at any time amend the RFP, including the conditions of the Selection Procedure, through the announcement on the MoESD's official website;

b. seek clarification or demand the additional documentation with respect to the submitted applications;

c. disqualify any Candidate whose application or submitted documentation is not in compliance with the requirements of this RFP or for any other reason;

d. not sign an agreement after the Selection Procedure or continue the selection of the Candidates or send to the Candidates the request for proposals.

2. The MoESD is not obliged to reimburse:

a. to the any participant of the Selection Procedure or any other person with regard to the Selection Procedure, any expenses incurred prior or after enactment of this RFP.

b. to the Winner of the Selection Procedure or any other person any expenses borne prior or after signing the Agreement with the Winner of the Selection Procedure.

## **11. Dispute Resolution**

The disputes arising out of this RFP shall be settled by the common courts of Georgia.

## LOT N1

## Number of Testing Lanes, Types and Geographical Dispersion

Region	Test Lane Type				Comment/Recommendation
	Light Vehicles (LV)	Heavy Vehicles (HV)	Universal (UN)	Mobile	
Tbilisi	7	0	3	0	
Kobuleti	1	0	0	0	
Lanchkhuti	1	0	0	0	
Kareli	1	0	1	0	It is expedient that lane is built near the highway
Sachkhere	1	0	0	0	Sachkhere/Chiatura
Tsalka	1	0	0	0	
Adjara	0	0	0	1	Keda, Shuakhevi, Khulo



LOT N2

Number of Testing Lanes, Types and Geographical Dispersion

Region	Test Lane Type				Comment/Recommendation
	Light Vehicles (LV)	Heavy Vehicles (HV)	Universal (UN)	Mobile	
Tbilisi	8	0	2	0	
Ozurgeti	1	0	0	0	In case of need, lane shall serve Chokhatauri
Khobi	1	0	0	0	In case of need, lane shall serve Zugdidi district
Akhalkalaki	1	0	1	0	In case of need, lane shall serve Ninotsminda
Dusheti	0	0	1	0	It is desirable that lane is built near military road
Ambrolauri	1	0	0	0	Lane shall also serve Ambrolauri and Oni
Samtskhe-Javakheti	0	0	0	1	Lane shall also serve Adigeni, Aspindza, Kazbegi and Tianeti

LOT N3

Number of Testing Lanes, Types and Geographical Dispersion

Region	Test Lane Type				Comment/Recommendation
	Light Vehicles (LV)	Heavy Vehicles (HV)	Universal (UN)	Mobile	
Tbilisi	7	0	3	0	
Poti	0	0	1	0	It is desirable that lane is built in the direction of Grigoleti. In case of need, lane shall also serve Kobuleti-Lanchkhuti
Samtredia	0	0	1	0	In case of need, lane shall also serve Vani district
Borjomi	1	0	0	0	
Kaspi	1	0	0	0	
Dedoplistskaro	1	0	0	0	
Kvareli	1	0	0	0	In case of need, lane shall also serve Gurjaani
Samegrelo-Zemo-Svaneti, Lechkhumi, Guria	0	0	0	1	Lane shall serve Mestia, Tsageri, martvili, Lentekh