

## Contract Award Information

### International Competitive Bidding (ICB) based on Single-Stage Two-Envelope procedure

Loan: 2993-ARM North-South Road Corridor Investment Program - Tranche 3

Country: Republic of Armenia

Contract Reference No: ICB No: T3-CW-01

Name of Contract: **Reconstruction and Improvement of the M1 Talin to Gyumri Road from km 71+500 to km 90+200 (Talin - Lanjik section)**

#### 1. Names of each Bidder who submitted a Bid

1. China Road and Bridge Corporation (China)
2. China Civil Engineering Construction Corporation (China)
3. Xinjiang Beixin Road & Bridge Group Cp. Ltd (China)
4. Sinohydro Corporation Ltd (China)
5. Itinera S.P.A and Renco S.P.A JV (Italy)
6. Company Black Sea Group LLC and Zimo LLC JV (Georgia)

#### 2. Bid prices as read out at bid opening

1. Sinohydro Corporation Ltd (China) USD 60,561,554.00
2. Itinera S.P.A and Renco S.P.A JV (Italy) USD 70,855,983.65

#### 3. Name and evaluated prices of each Bid that was evaluated

1. Sinohydro Corporation Ltd (China) USD 59,958,313.89
2. Itinera S.P.A and Renco S.P.A JV (Italy) USD 70,855,983.65

#### 4. Name of Bidders whose bids were rejected and the reasons for their rejection

**1. China Road and Bridge Corporation** did not meet the criteria for “Contracts of Similar Size and Nature” as none of the submitted contracts the price of which exceeding 32.000.000 USD is considered as a similar. The works in scope of the mentioned contract include the construction of roads with asphalt-concrete pavement and not the construction of roads with the required cement-concrete pavement. The certified document about implementation of 140,000 cubic meters of crushed stone during any of the one year of the last 10 years is missing, only BoQ is submitted which describes the volume of work being implemented under the Contract and not the volume of performed work during one separate year. Only the list of equipment was provided as a certifying document for the right of ownership of equipment which is sealed by the representative of Kyrgyzstan which basically cannot be considered as a document certifying the right of ownership as well as some equipment are missing in the list of laboratory equipment which is envisaged by technical specification and the manufacturing year of some equipment as well.

**2. China Civil Engineering Construction Corporation** did not meet the criteria for “Contracts of Similar Size and Nature” and “Construction experience in key activities” as the submitted Contract doesn’t certify the similar construction experience, also the implementation of cement-concrete road pavements were not implemented by the Bidder, it was implemented by the proposed specialized subcontractor and not by any JV partner. Taking into account that the cement-concrete pavement works cannot be considered as the high specialized processes and are considered as works with key importance, so the experience of implementation of works for cement concrete road pavements by the specialized subcontractor cannot be considered as experience of China Civil Engineering Construction Cooperation.

**3. Xinjiang Beixin Road & Bridge Group Cp. Ltd** did not meet the criteria for “Contracts of Similar Size and Nature” as cement-concrete pavement works submitted in scope of the one Contract from the submitted contracts the price of which exceeding 32.000.000 USD, however a methodology was

submitted as a supporting document, which doesn't concern to the mentioned contract and cannot certify that the cement-concrete pavement works implemented in the framework of the contract were performed in road coat while in the other documents: contract agreement and acceptance certificate of the given contract the road coat is envisaged as bitumen (asphalt) concrete. The certified document about implementation of 140,000 cubic meters of crushed stone during any of the one year of the last 10 years is missing again, Only BoQ is submitted which describes only the volume of work being implemented under the Contract and not the volume of performed work during one separate year. Certifying documents for the right of ownership of some equipment are missing. The Bidder verified only by the letter for Laboratory equipment and Concrete slipform paver that those will be purchased, and did not submit the revised EQU form as well as the relevant documents for rental, lease or manufacture agreement specific to the project.

#### **4. Company Black Sea Group LLC and Zimo LLC JV**

The Bid Security in the form of Bank Guarantee should be issued by the Bank which has at least "BBB-" Rating as per Standard & Poor's, but the Bid Security Guarantee submitted by Company Black Sea Group LLC and Zimo LLC JV was issued by the "ArmBusinessBank" CJSC (Armenia) which does not have an International Rating. Company Black Sea Group LLC and Zimo LLC JV did not meet the criteria for "Contracts of Similar Size and Nature" as none of the submitted contracts is considered as a similar. The Bidder did not meet the road concrete pavement implementation works experience required by the criteria "Construction Experience in Key Activities". Only one contract from submitted contracts was considered as similar (Cement concrete road pavement implementation) performed experience where Zimo LLC was considered as managing contractor and works envisaged by contract according to the act of acceptance of the attached works were implemented via 7 other subcontractors. Also percent of the contract price which was implemented by Zimo LLC, is not submitted in EXP -1 Form, thus the works implemented in scope of the following contract cannot be assigned to Zimo LLC as prime contractor. As to criteria of "Construction experience in key activities" Zimo LLC implemented 57680 m<sup>3</sup> from the required volume of cement concrete road pavements construction works in scope of the above mentioned Management Contract which cannot be assigned to the mentioned Bidder.

#### **5. Name of the winning Bidder, and the price it offered, as well as the duration and summary scope of the contract awarded**

Name of the winning Bidder: **Sinohydro Corporation Ltd (China)**

Price of the Contract: **USD 59,958,313.89**

Duration of the Contract: **540 days**

Summary Scope of the Contract: **Reconstruction and improvement of the M1 Talin to Gyumri Road from km 71+500 to km 90+200 (Talin - Lanjik section); upgrading and widening of the existing M1 Talin to Gyumri Road from 2-lane single carriageway to 4-lane dual carriageway.**