

## Pre-Qualification

### Questions and Answers

Updated 12 March 2010

Note: All Questions and Answers presented here are not attributed to particular interested party and they are in ordered as received.

<b>Question 1:</b>	page 20, § d (iv) "Operation and Maintenance": What do you mean by "...technology of each contract"?
<b>Answer 1:</b>	Where experience listed relates to the operation and maintenance of a power station, technology shall refer to the type of power station operated and maintained, including fuel used at such station (e.g. natural gas fired CCGT, coal sub-critical steam turbine).  Where experience listed relates to that of mining, technology shall mean the primary equipment operated and maintained (e.g. bucket wheel excavator, truck and shovel).
<b>Question 2:</b>	page 19, § d (i) "Financial Capacity": It is stated that the minimum pre-qualification criteria includes having " <i>arranged financing for an independent power and/or mining project with a financing capacity of at least € 800 million</i> ". Is there a particular time-frame in which the above must have happened (e.g. over the last 10 years)?
<b>Answer 2:</b>	Applicants are requested to describe all of the power generation and mining projects over the last 10 years in which they have invested. The minimum pre-qualification criteria should be met by one such experience.
<b>Question 3:</b>	page 19, § d (ii) "Project Management and Sponsorship": It is stated that the minimum pre-qualification criteria includes having " <i>managed the development of (A) an open-cast mine of at least 8 million tonnes/yr of coal or lignite production and (B) a coal –or lignite- fired independent power producer (s) of at least 600MW gross electric power generating capacity</i> ". Is there a particular time-frame in which the above must have happened (e.g. over the last 10 years)?
<b>Answer 3:</b>	Applicants are requested to describe all of the power generation and mining development projects over the last 10 years in which they have played a management role. The minimum pre-qualification criteria should be met by one such experience.
<b>Question 4:</b>	All documents submitted should be in English, correct?
<b>Answer 4:</b>	As per page 19, this is correct.
<b>Question 5:</b>	Regarding the translation of legal documents, please let us know whether a certified translation by a Notary Public or Attorney at Law is acceptable or not?
<b>Answer 5:</b>	Yes, a translation of legal documents by a certified translation by Notary or Attorney at Law is acceptable

<p><b>Question 6:</b></p>	<p>page 24, § 2: It is stated that the minimum pre-qualification criteria includes having “<i>managed the development of (A) an open-cast mine of at least 8 million tonnes/yr of coal or lignite production and (B) a coal –or lignite- fired <b><u>independent power producer(s)</u></b> of at least 600MW gross electric power generating capacity</i>”.</p> <p>What do you mean by “<b><u>independent power producer(s)</u></b> of at least 600MW”? Is “600MW” referring to the <b>power output of one single individual Project</b> or is it referring to the <b>aggregate/combined power output of more than one Projects</b> (is, for instance, 2 Projects of 300MW each acceptable)?</p>
<p><b>Answer 6:</b></p>	<p>The applicant is required to demonstrate at least one coal or lignite fired power generation development project, of gross electric power generation capacity of at least 600MW, at a single location. This capacity may comprise one or more generation units, at this site.</p>

<p><b>Question 7:</b></p>	<p>page 24, § 3: It is stated that the minimum pre-qualification criteria includes providing “<i>evidence that it, if not a consortium, or a consortium member if a consortium, (or its, or a consortium member’s, construction subcontractors) has served as the lead construction entity in <b><u>at least two projects of a similar nature and complexity as the components of the Project</u></b> that have been completed since 2000 and have operated successfully for at least 18 months.</i>”</p> <p>Could you please specify (in terms of technology/fuel, size/MW...) what do you mean by “<b><u>similar nature and complexity</u></b>”? What are the exact requirements to be met?</p>
<p><b>Answer 7:</b></p>	<p>From the list of relevant open-cast mines and power stations in which the applicant (or its subcontractors) has been lead constructor, the applicant should demonstrate at least two projects of the projects listed are similar to the components of the Project, as defined in the Pre-Qualification Memorandum, namely an open-cast coal/lignite mine, and a coal/lignite fuelled power generation project.</p> <p>Other projects listed may be open cast mining projects for other resources/minerals, and/or generation projects fired by other fuel types in which the applicant, or its construction subcontractor, has construction experience. There is no minimum sizing nor technology requirement for this criteria.</p>

<p><b>Question 8:</b></p>	<p>Ref. page 19, par.a. What is the minimum sufficient proof of concept to acknowledge that an application, which is sourced by more than one legal entity (company), is representing eligibly a “consortium”, for the purposes of the present bidding process, and until completion of the project award phase?</p>
<p><b>Answer 8:</b></p>	<p>A letter from each of the consortium members confirming that they join</p>

	the bid and intend to inject equity, jointly and severally with the consortium partners, if selected as winners, would be accepted as minimum proof of an eligible consortium.
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<b>Question 9:</b>	<p>Ref. page 19, par.a.          What is defined as “structure”? (one or many of the following: memberships, participation shares, nature of legal status or binding –in general- between members, roles &amp; responsibilities held by each member, etc.)</p> <p>First paragraph in page 21:          “...upon application, be automatically short-listed as pre-qualified bidders under the criteria set out in this memorandum, so far as the consortia structure of those pre-qualified bidders remains unchanged.”          and          Table in the middle of page 21:          “...Bidder/Consortium Structure*”          What is your definition as “structure”, for the purposes of the present bidding process, and until completion of the project award phase?</p>
<b>Answer 9:</b>	<p>"Membership structure" and "consortium structure" refers specifically to the members of and form of the consortia who indicate a joint and several equity liability under the aforementioned letters. Once qualified, these members cannot change their commitment without approval of the PSC. However, any entities also named in the Expression of Interest that were clearly indicated as subcontractors (i.e., not part of the equity commitment group) could become equity members, but could not be substituted without PSC approval. Any further detail that can be provided on the intended structure of the consortium would be very helpful for the Transaction Advisor to understand a bidder's proposition (participation shares, nature of legal status or binding, in general, between members, roles &amp; responsibilities held by each member, etc.) but "membership structure" and "consortium structure" as quoted in your queries is intended to refer to membership (equity and non-equity) of the consortium.</p>

<b>Question 10:</b>	<p>Ref. page 20, par.e.:          “Submissions must clearly identify the lead developer or firm, its relationship to a parent company (if any), and any other firms that comprise the consortium or joint venture.”</p> <p>What do you perceive that “joint venture” attributes as opposed to the aforementioned “consortium”?</p>
<b>Answer 10:</b>	<p>A joint venture is regarded as a specific type of consortium structure where there is a more formal agreement among two or more parties for development purposes that is probably evidenced with a joint venture agreement of some sort, which would contain details of members' funding commitments, development responsibilities and perhaps the concepts of loans of resources to the venture. A "consortium" is a much broader term under which various business arrangements might fall (partnerships, limited liability companies, standard companies etc.).</p>

<b>Question 11:</b>	If courier delivery of the hard copies of the expression of interest is delayed beyond the scheduled delivery date of February 26, but an electronic version is submitted on time (by close of business on February 26), will the expression of interest be accepted?
<b>Answer 11:</b>	An expression of interest may be accepted as timely if the consortium ships the hard copies in time for scheduled delivery to the physical address set forth in the Procurement Notice, Annex B to the Pre-Qualification Memorandum, or before February 26 and an electronic version is submitted to the email address set forth in the Procurement Notice on or before February 26. Delays in delivery due solely to delays by the courier company will be excused provided the applicant has timely shipped the hard copies by a reputable courier company and submits a scanned copy of the courier airbill (or similar proof of shipment) electronically to the same email address on or before February 26 to prove timely shipment. The applicant is encouraged to provide evidence of scheduled delivery times to Pristina from its location of shipment, and the transaction advisor may undertake additional investigation to confirm that the scheduled shipment time was reasonable. There should be no differences between the hard copies and the electronic version other than unavoidable formatting differences, if any. A single file including the expression of interest is preferred, if such a version is to be sent. If the expression of interest is submitted on time in hard copies, no electronic version is required.

<b>Question 12:</b>	Is it acceptable to provide examples of development of non-coal mines (eg minerals) to meet the minimum pre-qualification criteria?
<b>Answer 12:</b>	No, the minimum criteria must be met through examples of the development of coal or lignite mines.

<b>Question 13:</b>	Can experience of the development of mines be demonstrated through staged development of a single mine or refurbishment and expansion of a mine?
<b>Answer 13:</b>	Yes, the primary objective of this pre-qualification requirement is to demonstrate the skills and expertise of planning, engineering, developing and constructing coal/lignite mines. There can be cases where either staged developments or refurbishments of mines can be shown to demonstrate all of these requirements.

<b>Question 14:</b>	If an SPV or 100% owned subsidiary is used as the bidding vehicle, can it make use of the parent company's accounts?
<b>Answer 14:</b>	Yes, this is acceptable. Note, however, that each company whose financial or technical strength is relied upon for the purposes of meeting the prequalification criteria will be required to execute a sponsor support agreement at the time the other project agreements are executed. A draft of the sponsor support agreement will be included with the draft request for proposals.  In addition, the affiliate that is applying for prequalification, or is a member of a consortium applying for prequalification (as the case may be), should provide a letter from the parent company that:  a. indicates that the parent company supports the Expression of

	<p>Interest being submitted by the affiliate, or by the lead member of the consortium of which the affiliate is a member (as the case may be);</p> <p>b. consents to the inclusion of the parent company's qualifications in the Expression of Interest; and</p> <p>c. acknowledges that if the affiliate, or the consortium of which the affiliate is a member (as the case may be), is selected as the preferred bidder, then the parent company will be required to execute a sponsor support agreement at the same time that the other project agreements are executed.</p> <p>The letter should be addressed to the Ministry of Energy and Mining, Lignite Power Technical Assistance Project at the address provided in the Request for Expressions of Interest and delivered together with the Expression of Interest.</p>
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<b>Question 15:</b>	Please provide further clarity on the minimum pre-qualification requirement for financial capacity in respect of senior management capability within a consortium.
<b>Answer 15:</b>	The minimum requirement recognizes that the finance raising expertise of senior management of the lead consortium member may include experience from previous employment. The minimum requirement will be met if the lead consortium member can demonstrate that a member of its senior management was responsible for arranging and successfully closing one or more project financings with a combined lending commitment of at least €1 billion regardless of whether the lead consortium member has arranged and closed one or more project financings with a combined lending commitment of at least €800 million.

<b>Question 16:</b>	Are you aware of any sources of background information that may provide a context for the transaction?
<b>Answer 16:</b>	<p>There are multiple sources of publicly available information, which may or may not be fully accurate, and which may or may not express opinions that are consistent with the views of the Kosovo Government, the PSC, KEK, KOSTT, PWC or Hunton &amp; Williams. Short-listed bidders are encouraged to do their own research to familiarize themselves with the context for the transaction. Some websites that may prove a useful starting point for further research include the following:</p> <p><a href="http://www.seenergy.com">www.seenergy.com</a>  <a href="http://www.ks-gov.net">www.ks-gov.net</a>  <a href="http://www.ero-ks.org">www.ero-ks.org</a>  <a href="http://www.kosovo-mining.org">www.kosovo-mining.org</a>  <a href="http://www.kostt.com">www.kostt.com</a>  <a href="http://www.kek-energy.com">www.kek-energy.com</a>  <a href="http://www.erranet.org">www.erranet.org</a>  <a href="http://www.ceer-eu.org">www.ceer-eu.org</a>  <a href="http://www.entsoe.eu">www.entsoe.eu</a>  <a href="http://www.encharter.org">www.encharter.org</a></p>