

Tender Announcement

For the Services of a Management Contractor for YWC - Al Yarmouk Water Company LLC

The Performance Management Unit (PMU) / Water Authority of Jordan (WAJ) of the Hashemite Kingdom of Jordan on behalf of Al Yarmouk Water Company PSC (YWC) announces an international competitive bidding to procure an international experienced company or a consortium of companies to provide services of a Management Contractor for YWC, which is the legal successor of NGWA, the Northern Governorates Water Administration.

Project scope

Northern Governorates Water Administration (NGWA) has undergone a process of commercialization. This included two stages. First, NGWA (a former department of WAJ) has been corporatized through the establishment of a limited liability company (YWC). Secondly, a Management Contract shall be implemented with an experienced international utility operator. The main objective is to improve water and wastewater services for the population in the Northern Governorates. The service area covers the four Governorates of Ajloun, Irbid, Jerash and Mafrqa with a population of around 1.5 million people.

The Management Contractor (MC), to be selected through this tender process, will enter into a five year contract with YWC (without prior written notice by YWC, this contract may be automatically extended by a period of two years for two times).

The Contract itself will be performance-based: For its services, the MC will receive a (Fix Fee) plus incentive compensation (Variable Fee). Whereas the Fixed Fee will decrease year by year, the Variable Fee will increase. (During the Contract term, the Fix Fee will be reduced year by year from 90% to 50 % from the MC's total annual fee), and the variable fee will increase from 10 % to 50 %.

YWC through partial subsidy from WAJ, and a grant from the German Development Bank KfW will secure respectively finance the MC's total annual fee.

, WAJ is committed to subsidize the cash deficit of YWC throughout the duration of the Management Contract.

Tender process

Considering the need for a quick and efficient transaction, there will be a one-stage tender process. Only the Technical Proposals of those bidders fully meeting all eligibility criteria will be opened and evaluated.

The preliminary deadline for purchasing the tender documents is 12 August 2010. The preliminary deadline for bid submission is 3rd October 2010.

There will be a pre-bid conference, a site visiting tour and invitations to a data room. The timing for these events can be derived from the tender documents.

Eligibility criteria

(Note: the eligibility criteria will be applied to the bidder consortium as a whole, if not stated otherwise)

1. The Bidder (if the Bidder is a consortium: the Consortium Leader) must show that
 - a) it has been incorporated as operational service provider for at least 7 years;

- b) it has executed at least one service contract to operate and manage water as well as wastewater services in an area with more than 120,000 customers for a period of 3 years or more;
- c) Additionally, the Bidder (respectively the Bidding Consortium) must have at least two more assignments (for operations, constructions or consulting) in relation to water or waste water services in Jordan.

Note: For each reference, Bidders have to deliver reference descriptions, technical data and contact details of the Client. The success of the projects must be documented by a positive reference letter from the Client, on request.

- 2. a) The minimum annual turnover of the bidder must be Euro 50 million for each of the three fiscal years 2006, 2007 and 2008.
- b) Furthermore, the annual net profit of each single company among the bidder group must have been positive before-tax-results in at least two of the three years 2006, 2007, and 2008.

Note: Bidders have to submit copies from their testified balance sheets, profit and loss accounts.

- 3. The bidder has submitted the following documents, including (among others)
 - a) “No conflict of interest” – declaration (sworn statement)of each Bidder or consortium member
 - b) “No conflict with the law” – declaration (sworn statement)of each Bidder or consortium member
 - c) Tender Security provided, orderly issued as requested
 - d) Written confirmation to submit the Bank Guarantee and the Performance Security prior to Contract Closure
 - e) A letter declaring that the Technical Proposal fulfils the required staff input of at least 200 Man Months during the contract period.
- 4. Only proposals from bidders, which fulfil all eligibility criteria, are subject of further evaluation. All other proposals will be returned unopened (Technical and Financial Proposal envelops).

Interested companies or consortia of companies, who can later on prove that they fulfill the eligibility criteria, are invited to express their interest to be registered as bidding candidate by sending an email (not later than 5 August 2010) naming the members of the consortium (if any) and the contact details of the lead company as well as to briefly outline their eligibility (one paragraph). The email shall be sent to PMU (MC_Yarmouk@pmu.gov.jo)

Copies of this email shall be sent to KfW (manuel.schiffler@kfw.de) and to the Transaction Advisor (mail@professor-rudolph.de).

All registered companies will be informed by fax about the date from which on they can purchase the tender documents (bidders will receive these documents upon payment of 1,500 JOD [non-refundable] after they have returned a signed Confidentiality Agreement.

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