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### Addendum # 1

**Tender Description:** Design, supply and Delivery of One Biogas Plant Including Installation, Commissioning, Training and After sales Support in SNNPR Region of Ethiopia

**Tender Reference:** ETH3477-1

Dear Mr. /Ms.: Bidders:

This Addendum # 1 is issued to amend the tender as follows.

#	ITB Reference	Description
1.	Section 3: Bid Data Sheet – Ref.25, Deadline for Submission	The deadline for submitting the bid has been extended. Please refer to the date and time shown in the e-tendering event.
2.	Section 3: Bid Data Sheet – Ref.21, the Expected date for commencement of Contract	Updated to September 8, 2022
3	Section 5: Technical Requirements and Specifications including Scope of Works	The payment millstone/payment schedule has been modified. (Page 37)

UNDP received the following questions from the bidders through secure email, and per the requirements, the following responses are provided for the Bidder's consideration in their submission.

#	Bidder's Question	UNDP's Response
1.	Regarding the subjected tender, in Civil Works Lists, we didn't see Biogas Purification Room and Generator Room, which are not must, but we suggest that you'd better add these two Rooms to promise the service life of the related equipment. Could you kindly confirm if Biogas Purification Room and Generator Room Added or not for this Civil works?	Biogas Purification Room and Generator Room are not required in the bid document.
2.	Regarding the subjected tender, in civil construction, there need brick-concrete structure, could you confirm: Is it hollow cement brick or clay solid brick?	For civil construction, solid clay brick and anti-seepage are suggested.
	Regarding to Section 3 : Bid Data Sheet, No.22. Scope of work. We think the 4 months duration of the Contract is too short. Is it possible to have longer time? The construction period should be at least 7 months, the transportation time may be more than 2 months, and the commissioning period should be more than 15-30 days.	The contract duration has been extended to 6 months, considering the shipment of Biogas equipment to Ethiopia Via sea/land freight. In addition, the Project envisages that the Contract would mobilize resources to the site and initiate construction works during the shipment period.

#	Bidder's Question	UNDP's Response
	The owner should facilitate construction of the demonstration sites, e.g. water and electricity supply, necessary amount of feedstock for the stable running of biogas plant. These are something we do not know from ITB file but it's very important for the construction, commissioning and stable running of the biogas plant.	
	Under the current situation of CIVID and turbulent international situation, is it possible to have advance payment? For example, 20%~30% of the contract value plus bank guarantee interest is paid after signing the Contract. Otherwise, too much risk would be posed to the enterprise.	UNDP's standard practice requires us not to make advance payments without receiving any outputs (completion of specific milestones). Nevertheless, in the ITB, UNDP proposed a new flexible payment schedule (Page 37). The proposed payment schedule is adapted to ensure the contractor is paid in a timely fashion, as work is completed and certified by UNDP and to keep payments moving steadily so the contractor can pay off their expenses as the Project progresses.
	Under the current situation of CIVID and turbulent international situation, we request to cancel Performance Security. We could not prepay the 10% of the total contract value. And we request the possibility to have advance payment as mentioned in Q3.	The 10% performance guarantee bond only applies to the construction works. As such, the guarantee would be calculated based on 10% of the contractor's BoQ, not the total value of the awarded Contract value. It worth mentioning that to mitigate the risk of poor performance by the contractor and to ensure satisfactory completion of contract a in line with contract requirements, UNDP have requested a performance guarantee (10% value of Contract- Civil works only) from the successful Bidder.
	In Section 2: Instructions to bidders, E. Award of Contract, 41. Contract Signature where mentioned that the successful Bidder shall sign and date the Contract and return it to UNDP Within fifteen (15) days from the date of receipt of the Contract. We worried about the time delay caused by overseas mail or other reasons. Therefore, 20-30 business days or electronic version with the same legal effect is suggested.	UNDP shall sign and share the Contract with the selected Bidder for an electronically counter signature. No need for ink paper signature.
	In Section 3: Bid Data Sheet, BDS No.13, Currency of Bid is US dollar, We hope our goods and service settled in RMB due to the depreciation risk of USD.	As required, all prices shall be quoted in USD. Furthermore, as explained in the tender document, UNDP will convert other Bid currencies to USD per the UN operational rate of exchange of the month.
	In section 5, Geological survey report normally by the owner not by Bidder As for the other submission: o Report of project working plan with time schedule and Gantt chart for the execution of the total works o Initial system design and civil construction drawings o Detailed design with drawings for acceptance by UNDP based on plot properties, capacity of equipment and guaranteed performance to reach the specified output. o BOQ is enclosed in this ITB, any changes to	1. Please refer to the bid document requirement. The Bidder will be responsible for the geological survey and report development. 2. There are no template and additional requirement. However, the bidders are required to comply with relevant international or domestic standards (if any).

#	Bidder's Question	UNDP's Response
	<p>the BoQ should be explained and a reasonable explanation must be provided</p> <ul style="list-style-type: none"> <li>o Social-environmental assessment and risk management plan</li> <li>o Post commissioning as-built drawings and other technical documentation</li> </ul> <p>Are there any templates or requirements for these files?</p>	
	Voltage in Ethiopia is usually not stable. In this case, the electrical equipment, like motor, pump etc., are easily destroyed. Therefore, regarding to the Warranty Period Defect Liability, is it possible to guarantee the equipment (the Electrical equipment excluded) for two years.	For any deviations from the requirements, please provide justifications in bidder's proposal.
	As mentioned in the form, Certification ISO 9000, ISO 14001 or ISO 14064 or equivalent and Statement of Environmental Policy are mandatory for the bid?	The industry-accepted quality certifications for goods offered are required, i.e., the biogas equipment must have the quality certification that complies with industry practices.
	<p>Bid Validity Period: 120days. According to our experience in Africa Project before, We suggest the bid validity period should be 240 days instead of 120 days.</p> <p>Details:</p> <p>(1) 30days for Design +production.</p> <p>(2) Export Customs declaration + sea transportation from China to Ethiopia+ import Customs declaration , it is around 90days in total. That means all of the materials can be delivered in construction site within ca.120 days. And then we need installation time for 1-2 month at least. Because the installer has no experience for the biogas project, It may take longer. That's why we suggest the project period should be 6-8 months</p>	<p>The bid validity period is different from the Maximum expected duration of the Contract, which is four months after and now it has been extended to 6 months after the award of the Contract to the successful Bidder. The bid validity period is 120 days, which implies that the bidders shall maintain their bid price without changing or altering it for 120 days. UNDP will complete the procurement process (evaluation and contract negotiation) within 120 days of the bid validity period. In exceptional cases, UNDP may request the Bidder to extend the bid validity period beyond 120 days before the bid validity expires. However, we believe there would be no need for an extension of the Bid validity period, as UNDP shall complete the procurement process before the expiry of the bid validity period.</p> <p>Note that the contract completion period has been extended from 4 months to 6 months.</p>
	<p>Regarding to the payment term.</p> <p>From our ex-experience of bidding projects from UNDP and world bank, the standard way should be , 30% TT prepayment, 60% before delivery and 10% after goods acceptance.</p> <p>For this ITB, the manufacture and installer are separated. The Chinese company is actually only a manufacture, no more EPC contractor. So the profit is very limited. General milestones-based payment isn't reasonable for this Project.</p> <p>In my point of view, the reasonable payment item should be different from manufacture and installer.</p> <p>For manufacture: 30% TT prepayment, 60% before delivery and 10% after goods acceptance.</p> <p>For installer: milestone-based payment</p>	UNDP proposed a new flexible payment schedule (Page 37). The proposed payment schedule is adapted to ensure the contractor is paid in a timely fashion, as work is completed and certified by UNDP and to keep payments moving steadily so the contractor can pay off their expenses as the Project progresses.

Each Bidder shall consider this information given in this Addendum to prepare their bids.

**Best Regards,**

**Procurement Team**

**UNDP Ethiopia CO**