Pursuant to Article 21 of the Law on Concessions (Official Gazette of Montenegro, no. 8/09), the Ministry of Sustainable Development and Tourism announces

PUBLIC INVITATION TO TENDER IN AN OPEN PROCEDURE FOR THE IMPLEMENTATION OF THE KOTOR-LOVĆEN CABLE CAR PROJECT

The Ministry of Sustainable Development and Tourism of Montenegro (hereinafter referred to as: **the Ministry**) as the competent authority, on behalf of the Government of Montenegro as the Grantor, hereby invites the interested bidders to submit bids for the award of concession for the design, financing, construction, operation, maintenance and transfer of the cable car system from the Dub locality in the Municipality of Kotor to the Kuk locality on Mount Lovćen on the territory of the Old Royal Capital of Cetinje, Montenegro, on the Design, Build, Finance, Operate, Transfer" (DBFOT) basis (hereinafter referred to as: **the Project)** in an international, transparent and competitive open procedure (hereinafter referred to as: **the Open Procedure**).

The cable car route starts from the Dub locality, which is located on the outskirts of the town of Kotor (in the close vicinity of the entrance to the road tunnel that connects Kotor and Tivat) and leads to the Kuk locality on Mount Lovćen. This section, together with the areas necessary for the construction of the Dub and Kuk terminals with associated facilities, represents a concession area. The coordinates of the concession area and the details of the route are given in the Tender Documentation.

The estimated duration of the concession for the Project is 30 years from the date on which all the preconditions stipulated in the Draft Concession Agreement, which is an integral part of the Tender Documentation, are fulfilled. The concession period includes the time period required for the construction of the cable car, which is estimated at 1 year, as well as the operation period lasting for the remaining 29 years.

The Concessionaire is expected to propose an investment program to build and put into operation a cable car from the Dub locality to the Kuk locality in the first year following the entry into force of the Concession Agreement, and to fully build and put into operation all associated facilities no later than 3 years following the entry into force of the Concession Agreement. The minimum investment in the cable car and associated facilities amounts to € 18 million.

The minimum amount of the concession fee is 15% of the profit generated on an annual basis.

After the expiry of the concession period, all facilities and equipment shall become the property of the Grantor.

1. **Criteria for Participation in the Public Invitation to Tender and the Possibility of Submitting a Joint Bid**
   1. Participation in the Public Invitation to Tender will be open to the interested entities (including the Consortium) that have submitted a request to the Tender Committee to obtain the Tender Documentation within the time period for submission of the Application for participation in the Public Invitation to Tender and accordingly:

* signed the Statement of Confidentiality and
* paid the fee for obtaining the Tender Documentation.

(hereinafter referred to as: **the Tender Participant**)

* 1. The Tender Participant may participate in the concession award procedure in a consortium or another form of business association (hereinafter referred to as: the Consortium), with the obligation to submit a consortium agreement, whose detailed content is defined in the Tender Documentation.
  2. A company, other legal entity or natural person may submit only one bid to the Public Invitation to Tender, independently, in a consortium or in another form of business association.
  3. A domestic or foreign company or other legal entity, entrepreneur or natural person, consortium or another form of business association that have qualifications proving the eligibility for participation has the right to participate in the Public Invitation to Tender for the award of concession for the implementation of the Kotor-Lovćen cable car Project.
  4. The following entities are not eligible to participate in the Public Tender for the implementation of the Kotor-Lovćen cable car Project:
* companies, other legal entities and entrepreneurs that have been subject to bankruptcy or liquidation procedure, except for the reorganization procedure in accordance with the law governing the insolvency of companies;
* companies, other legal entities, entrepreneurs and natural persons that have been convicted by a final judgment of a criminal offense committed in the exercise of their professional activity;
* companies, other legal entities, entrepreneurs and natural persons that have outstanding tax liabilities and obligations regarding penalties imposed in a criminal or misdemeanour procedure, in the period of at least three years prior to the announcement of the Public Invitation to Tender.

In this regard, in order to prove that the bidder is eligible to participate in the public tender procedure, it is necessary to submit documents, specified in the Tender Documentation.

* 1. A Tender Participant will qualify as a Bidder if it fulfills the following financial and technical requirements, as explained in more detail in the Tender Documentation:
* Average Profit[[1]](#footnote-1) of the Bidder (i.e. the weighted average in the case of the Consortium) for the last 3 (three) fiscal years must be positive, that is, greater than zero;
* Average Equity[[2]](#footnote-2) of the Bidder (i.e. the weighted average in the case of the Consortium) for the last 3 (three) fiscal years must be at least € 5 million;
* Average Turnover[[3]](#footnote-3) of the Bidder (i.e. the cumulative average in the case of the Consortium) for the last 3 (three) fiscal years must be at least € 50 million;
* The Bidder (or a member of the Consortium, where the Bidder is a Consortium) has, or has concluded a preliminary agreement on participation in implementation of the Project with an entity that has experience in construction and equipping of at least one operational cable car system (at least 3 km in length) built in the last 5 (five) calendar years.
* The Bidder (or a member of the Consortium where the Applicant is a Consortium) has experience in the operation of cable cars through a concession/public-private partnership, in the last 5 (five) calendar years, as an operator or concessionaire, where the minimum construction costs of infrastructure facilities that are the subject of the concession/ public-private partnership are at least € 20 million.

1. **Bid Bond**
   1. Along with the bid, the Tender Participant must pay a deposit or submit a Bid Bond in favour of the Ministry of Sustainable Development and Tourism in the amount of €50,000.00 (fifty thousand euros), issued by a bank with at least BBB credit rating according to the Standard and Poor’s Agency.
   2. The deposit is paid to the account of the Ministry of Finance, no. 550-5590-94, at Podgorička banka. Payment instructions for payments from abroad will be submitted to interested bidders by email.
2. **Possible Time to Visit the Location Where the Concession Activity will be Performed**
   1. Tender Participants, based on their expressed interest, will be allowed to visit the location where the concession activity will be performed, at the time of which they will be notified in a timely manner.
3. **Costs Related to Participation in the Public Invitation to Tender**
   1. Interested Bidders, Tender Participants or Bidders shall bear all costs and expenses related to participation in the Tender, including, without limitation, all costs and expenses related to the preparation and submission of the Bid.
   2. Interested Bidders, Tender Participants or Bidders shall not be entitled to a refund or reimbursement of any costs and expenses related to the participation in the Public Invitation to Tender, even in the event that the Ministry and/or the Government of Montenegro cancel the Public Invitation to Tender or otherwise withdraw from the concession award for the Project.
4. **Deadline for Submission of Request for Purchase of Tender Documentation**
   1. The Request for purchase of Tender Documentation, containing the details regarding the manner of bid submission and the entire tender procedure (hereinafter referred to as: the Tender Documentation) clearly entitled “Request for Purchase of Tender Documentation - Tender Committee for Conducting the Public Tender Procedure for the Award of Concession Contract for the Implementation of the Kotor-Lovćen Cable Car Project" shall be sent via registered mail or e-mail to the authorized contact person of the Tender Committee, at the address indicated in item 7, by no later than **10 February 2020**.
   2. The interested bidders who have timely submitted a request for the purchase of Tender Documentation shall be e-mailed a Confidentiality Statement, whereupon, within 3 working days at the latest, they shall submit a signed Confidentiality Statement to the Tender Committee and evidence of payment of the fee for the Tender Documentation in the amount of € 5,000. (five thousand euros) paid to the account no. 832-7071-33 – Fee for purchase of tender documents - Ministry of Sustainable Development and Tourism. Payment instructions for payments from abroad will be submitted to interested bidders by email.
   3. The Documentation containing the details regarding the manner of bid submission and the entire tender procedure (hereinafter referred to as: the Tender Documentation) will be submitted to Tender Participants by electronic means no later than 24 hours following the submission of the signed statement and evidence referred to in item 5.2.
5. **Address and Deadline for Submission of Bid for Public Invitation to Tender**
   1. Bids for Public Invitation must be submitted by no later than **28 February 2020 until 2:00 p.m.** local time in Podgorica;
   2. The bids shall be submitted directly (by personal delivery) or by courier to the records office of the Ministry, at the address: **Ministry of Sustainable Development and Tourism of Montenegro, IV Proleterske Brigade 19, 81000 Podgorica, Montenegro**, in a sealed envelope, under the full name of the bidder, specifying: “For the Public Invitation to Tender for the Implementation of the Kotor-Lovćen Cable car Project – Do Not Open”.

* 1. The bids will be opened by the Tender Committee appointed by the Ministry (hereinafter referred to as: **the** **Tender Committee**) on the same day at 2:30 p.m. local time in Podgorica, at the premises of the Ministry, IV Proleterske Brigade 19, 81000 Podgorica, Montenegro, in accordance with the Decree on detailed manner of conducting a public tender procedure in an open and two-stage concession award procedure (Official Gazette of Montenegro no. 67/09) and the Tender Documentation.
  2. The Tender Committee is expected to make its evaluation within 30 days of the bid opening date.
  3. Any request for additional information and/or questions related to the Public Invitation can be sent to the Ministry by e-mail to: [*ana.djukanovic@mrt.gov.me*](mailto:ana.djukanovic@mrt.gov.me)*,* no later than 7 days prior to the expiration of the deadline for the submission of bid for the Public Invitation to Tender, until 12.00 local time in Podgorica.
  4. Authorized contact person:

**Ministry of Sustainable Development and Tourism of Montenegro**

|  |  |
| --- | --- |
| *Ana Đukanović*  *Secretary of the Tender Committee*  IV Proleterske brigade 19,  81000 Podgorica,  Montenegro  Tel: +382 20 446 - 380  Fax: +382 20 446 - 215  E-mail: [*ana.djukanovic@mrt.gov.me*](mailto:ana.djukanovic@mrt.gov.me) |  |

|  |
| --- |
|  |

1. PROFIT (*Profit Before Taxes – PBT)* means the portion of the profit generated by the company before it pays income tax. This calculation excludes (does not imply) profit-related expenses, including interest expenses and operating expenses, but includes tax payment costs. [↑](#footnote-ref-1)
2. EQUITY: in the balance sheet of a company, it refers to the amount of funds that the owners (members, shareholders) have invested in the company, plus the retained earnings (or loss). [↑](#footnote-ref-2)
3. TURNOVER: the amount of profit (before deducting costs, taxes and other deductions) arising from the provision of the Company's basic services and goods. [↑](#footnote-ref-3)