

SECTION I
PREQUALIFICATION DOCUMENT
NOTICE & INVITATION
LOCAL GOVERNMENT DIVISION

NOTICE FOR THE PRE-QUALIFICATION OF SPONSORS FOR IMPLEMENTATION OF **10 MW CAPACITY BASED GRID CONNECTED WASTE TO ELECTRICITY GENERATION PROJECT ON A BUILD OWN OPERATE (BOO)/ BUILD OWN OPERATE & TRANSFER (BOOT) BASIS, AT DHAKA, BANGLADESH**

Invitation Ref No-

Date

Having been authorized by the Government of the People's Republic of Bangladesh ("GOB"), Local Government Division intends to select a potential sponsor (the "Project Sponsor") to develop a **10 MW capacity based Waste to Electricity** generation plant at Dhaka (the "Project") on a suitable site provided by the Dhaka City Corporation (DCC). The Project will be implemented on BOO/BOOT basis pursuant to a 20-year Implementation Agreement.

The Project Sponsor will be selected through an international competitive bidding process from a pool of applicants who meet the criteria set forth in this Prequalification Document. The selected Project Sponsor will be required to arrange the necessary financing and to execute the key project documents for the Project.

Local Government Division seeks to pre-qualify interested sponsors who have previous international experience in implementing Waste to Electricity generation projects, and invites interested sponsors to submit Qualification Statements in accordance with the criteria set forth in this Pre-Qualification Document. Only Applicants whose Qualification Statements demonstrate that they meet all of the criteria set forth in this Pre-Qualification Document will be invited to submit bids for the Project. The Pre-Qualification Document is available at the Local Government Division website: www.lgd.gov.bd. Interested developers intending to submit a Qualification Statements to Local Government Division should check website on a regular basis to ensure that they are familiar with any amendments or modifications to the Pre-qualification Document, which amendments or modifications shall be binding on the Applicants and their Qualification Statements if such amendments or modifications are posted on website www.lgd.gov.bd not later than 72 hours prior to the Pre-Qualification Closing Date.

Applicants should submit to Local Government Division, their Qualification Statements during normal business hours, together with a non-refundable processing fee of USD100(or Bangladesh Taka 7,000), payable by an international or local bank draft made payable to "Local Government Division" at or before 1200 Hours Bangladesh Standard Time BST on or before (20-January- 2011).

Any requests for additional information and/or questions concerning this Pre-Qualification Document shall be submitted in writing not later than Business Days before the Pre-Qualification Closing Date and all completed Qualification Statements shall be submitted not later than the Pre-Qualification Closing Date, in each case in writing to:

(Syed Mahboob Hasan)
Additional Secretary
Local Government Division
Ministry of Local Government, Rural Development & Cooperatives
Govt. of the People's Republic of Bangladesh
Building No #7, Room#625
Bangladesh Secretariat, Dhaka-1000, Bangladesh
Fax No.: +880-2-7164374
E-Mail: mahboobhasan22@ yahoo.com
Tel. No.: +880-2-9558727, Website: www.lgd.gov.bd

SECTION II
PREQUALIFICATION
FOR
SELECTION OF BIDDERS
TO SUBMIT PROPOSALS FOR WASTE TO
ENERGY TO ELECTRICITY GENERATION PROJECT IN
DHAKA, BANGLADESH ON A BOO BASIS

A. DEFINITIONS

For purposes of this Prequalification Document, the following capitalized terms shall have the following meanings:

1. **“Applicant”** means any entity or consortium submitting a Qualification Statement with the intent to be pre-qualified as a potential Project Sponsor.
2. **“GOB”** means the Government of Bangladesh.
3. **“DCC”** means the Dhaka City Corporation.
4. **“DPDC”** means the Dhaka Power Distribution Company.
5. **“BERC”** means the Bangladesh Energy Regulatory Commission.
6. **“Business Day”** means a day on which banks and government offices are open for business in Dhaka, People’s Republic of Bangladesh.
7. **“Commercial Operations Date”** means the date falling one day after the day on which the Project is commissioned to operate on a commercial basis.
8. **“BAS” means the Bangladesh Accounting Standard.**
8. **“LGD” means the Local Government Division.**
9. **“Current Assets”** means, in relation to a given entity, the number indicated as “current assets” on such entity’s most recent balance sheet prepared in accordance with IAS/BAS.
10. **“Current Liabilities”** means, in relation to a given entity, the number indicated as “current liabilities” on such entity’s most recent balance sheet prepared in accordance with IAS/BAS.
11. **“Current Ratio”** means, in relation to any given entity, the result obtained by dividing its Current Assets by Current Liabilities.
12. **“IAS”** means International Accounting Standards.
13. **“Lead Member”** means, in relation to a consortium Applicant, the member of such consortium who fulfills the criteria set forth in Section 1.2.1 of Section II-H.
14. **“Material Dispute”** is defined in Section 4.1 of Section II-H.
15. **“MW”** means megawatt.

16. “**Net Worth**” means, in relation to any entity, such entity’s Total Assets minus its Total Liabilities.
17. “**Operating Member**” means, in relation to a consortium Applicant, the member of such consortium who fulfills the criteria set forth in Section 1.2.2 of Section II-H.
18. “**Pre-Qualified Applicant**” means an Applicant who is determined to meet the criteria outlined in Section II-H of this Pre-Qualification Document.
19. “**Project**” means the Waste to Energy including Electricity generation project and support facilities located at Dhaka, Bangladesh, which are to be designed, financed, constructed, owned, operated and maintained by the Project Company.
20. “**Project Agreements**” means, collectively, the Implementation Agreement (including the Government Guarantee) (IA), Power Purchase Agreement (PPA), Land Lease Agreement (LLA), Waste collection agreement with DCC and all other agreements entered into directly between the Government of Bangladesh, Dhaka City Corporation (DCC), or their respective legal successors, **other public sector entities and the Project Company**.
21. “**Project Company**” means a company duly incorporated under the Laws of Bangladesh by the Project Sponsor, which will execute the Project Agreements for the Project.
22. “**Power Cell**” means the Power Cell unit of the Power Division of the Ministry of Power, Energy & Mineral Resources of the People’s Republic of Bangladesh.
23. “**Project Sponsor**” means the Pre-Qualified Applicant who will be selected as the developer for the Project.
24. “**Qualification Statement**” means a statement containing all of the information requested in Section II-H, which shall be submitted in the form attached hereto as Annex A-2.
25. “**Total Assets**” means, in relation to any entity, the total consolidated assets of such entity and its subsidiaries measured in accordance with IAS & BAS for such entity’s most recent financial year.
26. “**Total Debt**” means, in relation to any given entity, the total of all such entity’s interest bearing obligations.
27. “**Total Debt to Equity Ratio**” means the results obtained by: (i) dividing Total Debt by the sum of Total Debt and Total Equity; and (ii) dividing Total Equity by the sum of Total Debt and Total Equity; and (iii) expressing the above two results as percentages in a ratio format.
28. “**Total Equity**” means, in relation to any entity, the total consolidated equity of such entity and its subsidiaries measured in accordance with IAS / BAS for such entity’s most recent financial year.
29. “**Total Liabilities**” means, in relation to any entity, the total consolidated liabilities of such entity and its subsidiaries measured in accordance with IAS / BAS for such entity’s most recent financial year.

B. PROJECT BACKGROUND

The Government of The People's Republic of Bangladesh (GOB) has adopted a strategy for the development of the power sector, which envisages private participation in the sector. As part of that strategy it has taken action for generation of electricity from renewable sources such as Solar, Wind, Micro-hydro & Biomass. In the Renewable Energy Policy 2008, Policy envisions are: 5% of total generation from Renewable Sources by 2015: approx. 450 MW. 10% of total generation from Renewable Sources by 2020: approx. 1600 MW. As part of that strategy, the Government decided that some new generation capacity through Dhaka city waste would be installed and operated by the private sector. The Project Sponsor will be selected through competitive solicitation.

1. Dhaka city generated solid waste disposal problem is a crucial issue. On an average about 4000 to 4500 tonnes of waste /garbage per day is generated in Dhaka city. The waste generation rate varies from season to season. 50% waste is collected by DCC of total generated waste and the rest of uncollected waste is dumped in low-lying areas which is seriously impairs the health and hygienic conditions of Dhaka city.
2. In this connection, GOB has decided to implement 10 MW capacity based `Waste to Electricity` generation plant, BOO/BOOT basis in Dhaka, will sign a 20-year Implementation Agreement ("IA") supporting the project, Waste Collection Agreement, Power Purchase Agreement ("PPA"), Land Lease Agreement ("LLA") or any other necessary agreement will be signed with the qualified bidder. The collected 1000 tonnes per day waste will be used for installation of 10 MW capacity-based plants.
3. The project site location for this Waste to Electricity generation project may be located adjacent to the Matuail or Amin Bazar landfill site or any other preferable site adjacent to the power grid.

4. PROJECT DEVELOPMENT PROCESS

1. Local Government Division intends to select the Project Sponsor to develop the Project on a Build-Own-Operate BOO/BOOT basis. The Project Sponsor will be responsible for financing, designing, constructing, collected waste separation, operating and maintaining the Project. The process for the development of the Project, including selection of the Project Sponsor, shall include the following elements:
 - 1.1 Applicants will be pre-qualified on the basis of the prequalification criteria set forth herein. Applicants must submit a completed indication of interest in the form of Annex A-1, together with a completed Qualification Statement in the form of Annex A-2.
 - 1.2 All Qualification Statements will be evaluated in accordance with the criteria outlined in Section II-H. Pre-Qualified Applicants will be requested to submit technical, commercial and financial proposals for the exclusive right to develop the Project. The Project Sponsor will be selected based upon the proposals received.
 - 1.3 The Project Company will sign the Implementation Agreement (IA), Power Purchase Agreement (PPA), Waste Collection Agreement, Land Lease Agreement (LLA) and other relevant agreements. Environmental clearance to be taken from respective Organization.
 - 1.4 The Project Sponsor will be responsible for the arrangement of the financing for the Project. The Project Sponsor will be required to commit a minimum equity

investment in the project of 20% of the total capital cost for the project.

D. SCOPE OF WORK

1. The Project Sponsor will be responsible for design, selection and procurement of necessary equipment and materials, construction, commissioning, testing, operation, and maintenance of the waste to electricity generating facility at his own risk.
2. The Project Company will be required to arrange the necessary financing, execute the Project Agreements, tender for the construction of the power station, provide plant operations, fuel supply (gas or oil), water treatment plant, overall project management as required to develop, construct and operate the Project. The Project Company shall also obtain necessary permits for importation of materials and equipment, construction of the Project and for the Project's operations in accordance with the laws of Bangladesh.
3. The Project Company shall also perform the following tasks:
 - 3.1 Study and implement mitigation measures for the Project to comply with Bangladesh environmental regulations and the Asian Development Bank and World Bank environmental guidelines.
 - 3.2 Meet the pre-agreed commitments for the Project at the end of the contractual period as contained in the Project Agreements.

E. PHYSICAL FACILITIES OF THE PROJECT

1. The Project consists of a complete waste to electricity generation Station at site conditions with all the required support facilities, which, among others, would include the following:
 - 1.1 Complete waste to electricity generation Station, operation at ambient site conditions, expected to operate as a base load plant.
 - 1.2 All required site support facilities including, but not be limited to, the administration buildings warehouses, workshops, fuel delivery and storage facilities, switchyard, and cooling and process water systems; and
 - 1.3 All necessary site infrastructures such as roads, parking areas, lighting, security fencing, workers' living quarters, etc.
 - 1.4 No medical waste to be used in any condition.
2. Site: Site survey, soil testing and studies of process water availability and environmental impact assessment studies will have to be performed by the selected Project Sponsor. The Project Sponsor will be responsible for ensuring that the Project design and construction meet the requirements of the actual site conditions. The site development including site leveling, filling to the approximate final elevation, soil compaction and will be performed by the Project Sponsor.
3. Electrical Interconnection: The interface point for sale of power will be at their projects high Voltage side The construction of an approximately 132/33kV transmission line of adequate capacity for evacuating the power generated by the Project will be built. The Project Company will arrange the construction and financing of the transmission line.
4. Waste supply: The plant will be operated with waste of Dhaka City; cannot be mixed with medical/industrial waste without damaging human health and environment. Waste will be

separated by their own arrangement

F. PROPOSED PROJECT TIMETABLE (Need to change @ PPR)

Event	Day number
Pre-qualification notice published	0
Receipt of pre-qualification submissions	45
Evaluation of pre-qualification submissions & approval	60
Issuance of notice & RFP documents to pre-qualified applicants	75
Pre-Bid meeting	90
Written clarifications for bidders	100
Technical and financial tenders received, including tender security and executed transaction documents (IA, PPA, LA)	105
Evaluation of technical proposals & approval	125
Public opening of financial proposal	130
Government approval of award	160
Signing of contracts	175
Commercial Operation Date	365

G. INSTRUCTIONS FOR APPLICANTS

1. General

- (a) All requested the Applicant in the English language should submit information to Local Government Division.
- (b) Pre-qualification decisions will be made solely on the basis of an Applicant's Qualification Statement, which should be submitted in the form of Annex A-2. No supplemental or other information will be accepted other than responses from Applicants to clarifications which have been specifically requested by Local government Division.
- (c) The Qualification Statement should be accompanied by an indication of interest in the form of Annex A-1, which should be signed by a person or persons duly authorized to sign on behalf of the Applicant. If the Applicant is a consortium, a person or persons should sign the Qualification Statement duly authorized to sign on behalf of the Lead Member of the consortium. Consortium Applicants should submit a duly executed signing authorization form in the form of Annex A-3.
- (d) For purposes of determining compliance with the various dollar thresholds set out in Section II-H, Applicants who do not maintain their financial records in US dollars should apply the official exchange rates published in the Economist to convert their financial records into US dollars. A link to the Economist's online exchange rate archive is attached to this Pre-Qualification Document as Appendix 2.
- (e) Local Government Division will not enter into any correspondence with Applicants except to seek clarification, if and when necessary.
- (f) Applicants may seek clarification from Local Government Division on the pre-qualification process and criteria by submitting a request for clarification in writing to Local Government Division at the address given in this Prequalification Document. Although Local Government Division will attempt to respond to all reasonable queries,

it is under no obligation to do so, and may decline to respond to any query or request for clarification at its sole discretion.

- (g) All queries from Applicants to which Local Government Division has responded will be posted on the website for the Project on an unattributed basis. All such queries must be received at least twelve calendar days before the Pre-Qualification Closing Date.
- (h) Any documents submitted by Applicants will not be returned.

2. Procedure and Timing:

- (a) Submission of Applicant's Qualification Statement in the form attached hereto as Annex A-2.

An original and five (5) Copies of the Applicant's Qualification Statement shall be submitted to Local Government Division during normal business hours on/or before 1200 hours (BST), on or before(**20-January- 2011**).

- (b) Qualification Statements shall be submitted together with the processing fee to the following address:

Original and five copies to:

Local Government Division
Ministry of Local Government, Rural Development & Cooperatives
Govt. of the People's Republic of Bangladesh
Building No #7, Room#625
Bangladesh Secretariat, Dhaka-1000, Bangladesh
Fax No.: +880-02-7164374
E-Mail: mahboobhasan22@ yahoo.com
Tel. No.: +880-02-9558727, Website: www.lgd.gov.bd

- (c) Applicants may deliver their Qualification Statements only by courier or in person. Qualification Statements will not be accepted after the deadline for submissions.

3. Disposition of Applications

- (a) Local Government Division reserves the right to accept or reject any Applicant's Qualification Statement, if such Applicant's Qualification Statement does not comply with the criteria described in Section II-H, without thereby incurring any liability to the Applicant. Local Government Division reserves the right not to award the Project to any Applicant, and may terminate the pre-qualification process at any time without thereby incurring any liability to any Applicant. Local Government Division may at its sole discretion contact Applicant(s) to clarify any of the information or data submitted in the Qualification Statement. Any such requests for clarification and replies are to be in writing.
- (b) Local Government Division reserves the right to contact and verify the information provided by each Applicant in its Qualification Statement at any time during or after the pre-qualification process.

4. Evaluation Committee

Ministry of Local Government, Rural Development & Cooperatives shall appoint an Evaluation Committee (the "Evaluation Committee"), which shall be in charge of examining each of the proposals submitted by Applicants. The Chairman of the

Evaluation Committee, shall be the Additional Secretary of Local Government Division.

5. Evaluation Procedure

The procedure for opening and evaluating Qualification Statements from Applicants will be as follows:

- (a) Each Applicant shall place its Qualification Statement into a single envelope and shall deliver it to the offices of the Local Government Division during normal business hours in the manner set forth in this Pre-Qualification Document. Envelopes received shall be numbered in the order received and the date and time shall be written on them. Once the envelopes are submitted they cannot be returned for any reason.
- (b) All submitted Qualification Statements would be properly safeguarded. None of the documents will be removed from the premises of Local Government Division and no copies will be made. Envelopes will not be opened except in the presence of the Chairman of the Evaluation Committee.
- (c) 30 minutes after the submission deadline, the Evaluation Committee will in public open all of the envelopes received. The Chairman of the Evaluation Committee will read out the name of each Applicant. The names of all Applicants will also be posted on the website for the Project within 24 hours of the submission deadline.
- (d) Each page of the original version of each Qualification Statement and the first page of each annex thereto, will be initialed by two members of the Evaluation Committee.
- (e) The Evaluation Committee will also announce the timetable for reviewing the Qualification Statements received, disclosing the results and the procedure for making all the Qualification Statements available to all the Applicants. However, the Evaluation Committee will initiate the evaluation within 24 working hours after the deadline has passed.
- (f) The Evaluation Committee shall evaluate each Applicant's Qualification Statement on a "pass" or "fail" basis. Applicants must meet all of the criteria set forth in Section H in order to "pass" the evaluation process.
- (g) The Evaluation Committee may request in writing any additional information in connection with any response in an Applicant's Qualification Statement. Each Applicant must designate a representative to receive these requests. This representative must provide a telephone number, email address and other address.
- (h) No Applicant or consortium member may contact directly any member of the Evaluation Committee to discuss this pre-qualification exercise during the period from the issuance of the Pre-Qualification Notice to the announcement by Local Government Division of the Pre-Qualified Applicants.
- (i) Local Government Division will post a list of the names of all Pre-Qualified Applicants within 15 days after the Pre-Qualification Closing Date.

H. PRE-QUALIFICATION CRITERIA

APPLICANTS WILL ONLY BE PRE-QUALIFIED TO SUBMIT A BID FOR THE PROJECT IF THEY MEET ALL OF THE CRITERIA SET OUT BELOW.

1. Composition of Applicant

- 1.1 Applicants may apply either individually or as a consortium. Individual Applicants should not be natural persons.
- 1.2 If a consortium is submitting a Qualification Statement, the consortium must include one or more entities that are able to discharge the responsibilities of the Lead Member and the Operating Member as set forth below.
 - 1.2.1 The Lead Member of the consortium:
 - Must hold at least 51% of the equity interests in the consortium vehicle (either directly or through a majority-owned special purpose project subsidiary);
 - Must meet the financial criteria set out in Section 2; and
 - Must meet the technical criteria set out in Section 3 (to the extent not met by the Operating Member or another member of the consortium).
 - 1.2.2 The Operating Member of the consortium:
 - Must hold at least 20% of the equity interests in the consortium vehicle (either directly or through a majority-owned special purpose project subsidiary); and
 - Must meet the technical criteria set out in Section 3 (to the extent not met by the Lead Member or another member of the consortium).
 - 1.2.3 The Lead Member and the Operating Member may be the same entity.
 - 1.2.4 Neither the Lead Member nor the Operating Member may be a natural person.
- 1.3 An Applicant that is a consortium should provide the information requested in Section A of the Qualification Statement detailing the respective roles and ownership interests of the various members of the consortium.
- 1.4 Changes in the composition of a consortium Applicant prior to the submission of the bid for the Project are permitted, subject to the following limitations:
 - 1.4.1 No changes in the members of a consortium Applicant are permitted which would result in either (a) a change to the Lead Member or the Operating Member of the consortium or (b) the failure by the consortium to meet any of the criteria set out in Section 2 or Section 3;
 - 1.4.2 Changes to members of a consortium other than the Lead Member and/or the Operating Member are permitted 45 Days before the date on which the consortium submits its final bid for the Project.
 - 1.4.3 Any changes to the composition of a consortium Applicant must be notified to Local Government Division in writing within 5 Business Days of the effectiveness of such change.
 - 1.4.4 Failure to comply with any of the requirements set forth in this Section may

result in immediate disqualification by Local Government Division of the consortium's pre-qualification bid.

2. Financial Criteria

2.1 The Applicant (or, in the case of a consortium Applicant, the Lead Member) shall include the following information in its Qualification Statement:

2.1.1 One or More private Grid connected Waste to Electricity generation projects in respect of which it has successfully raised equity financing of at least US\$4 million in the aggregate in the past three years; and

2.1.2 One or More Grid connected Waste to Electricity generation projects in respect of which it has successfully raised debt financing of at least US\$10 million in the aggregate in the past three years.

2.2 The Applicant should also provide the following financial information in the manner prescribed in the Qualification Statement:

2.2.1 Certified copies of its audited balance sheets for the past three fiscal years, which should be prepared in accordance with IAS/BAS and demonstrate the following:

- Profitability for each of the past 3 fiscal years;
- A Total Debt to Equity Ratio of no more than 70:30; and
- A Current Ratio (i.e. current assets divided by current liabilities) of no less than 1:1.
- Net Worth equal to or in excess of US\$10 million.

2.2.2 If the Applicant is a consortium, only the Lead Member of the consortium will be required to meet the criteria in Section 2.2.1.

2.3 An Applicant (or, in the case of a consortium Applicant, the Lead Member) may bypass the financial requirements of Section 2.2.1 if it can demonstrate that it has total assets equal to or in excess of US\$40 million and Net Worth equal to or in excess of US\$10 million. An Applicant or consortium member that wishes to avail itself of the exemption in this Section 2.3 must substantiate its claim by attaching to the Qualification Statement its audited balance sheets for the immediately preceding fiscal year, which should be prepared in accordance with IAS/BAS.

3. Technical Criteria

3.1 Operating Experience

3.1.1 The Applicant (or, in the case of a consortium Applicant, the Lead Member or Operating Member) must provide details in its Qualification Statement evidencing its successful operation and management of at least one or more Waste to Electricity generation projects with an aggregate capacity of 40 MW or more, which is connected to the power grid in the country in which such project is located, and at least one project of which must have been in operation for no less than 2 years.

3.1.2 For purposes of determining compliance with the requirements of Section 3.1.1, "successful" operation and management means all the following:

- The Operation and Maintenance Agreements for each of the cited projects have not been terminated or suspended as a result of a default by the operator;
- The Applicant (or, in the case of a consortium Applicant, the Lead Member or Operating Member) have not become liable to pay penalties or liquidated damages under any Operation and Maintenance Agreements for any of the cited projects where such penalties or liquidated damages exceed 10% of the operation and maintenance fee payable in respect of the project in question in any given year; and
- There have been no material infringements of applicable environmental or occupational health and safety laws or regulations at any of the cited projects.

Applicant will be required to provide in its Qualification Statement a list of the projects that it wishes to cite in fulfillment of the criteria set out in Section 3.1.2.

- 3.1.3 For purposes of calculating an Applicant’s aggregate mega wattage of project experience to determine compliance with the criteria described in Section 3.1.1, the Applicant (or its designated Operating Member) may count only projects in which it has a majority ownership interest.

3.2 Development Experience

- 3.2.1 The Applicant (or, in the case of a consortium Applicant, the Lead Member or the Operating Member) must provide details in its Qualification Statement evidencing its successful development of one or more Waste to Electricity generation projects with an aggregate capacity of 40MW, which is connected, to the power grid in the country in which such project is located.

- 3.2.2 For purposes of determining compliance with the requirements of Section 3.2.1, “successful” development means all the following:

- Having obtained all relevant permits including environmental clearances;
- Having finalized and executed the Implementation Agreement, Power Purchase Agreement (or equivalent documents) for the project;
- Having brought the project to financial close and commercial operations.

Applicant will be required to provide in its Qualification Statement a list of the projects that it wishes to cite in fulfillment of the criteria set out in this Section 3.2.2.

- 3.2.3 For purposes of calculating an Applicant’s aggregate mega wattage of project experience to determine compliance with the criteria described in Section 3.2.1, the Applicant (or the member which it has designated to fulfill the requirements of this Section 3.2) may count only projects in which it held a majority ownership interest at the time at which such projects achieved commercial operation.

- 3.2.4 The applicant may submit proposal for other by-products from waste such as compost / construction materials etc. but that should be environmentally safe and friendly, and the carbon emissions must comply with the U.S.A Environmental Agency (EPA) standard.

- 3.2.5 The applicant can give an idea of manpower to be involved in the proposed plants.

- 3.2.6 The applicant can try for Clean Development Mechanism (CDM)

financing if finds applicable.

4. Other Criteria

- 4.1 The Applicant (or, in the case of a consortium Applicant, each member of the consortium) must not have had a Material Dispute resolved against it in the past 5 years. For purposes of this Section 4, a “Material Dispute” is any dispute where either (a) the amount in dispute was at least US\$25 million (or equivalent) or (b) termination of a material project agreement was sought.
- 4.2 Each Applicant must provide details in its Qualification Statement on any Material Disputes, which are either pending or have been resolved against it (or, in the case of a consortium Applicant, any member of the consortium). If an Applicant (or, in the case of a consortium Applicant, any member of the consortium) has a Material Dispute, which is pending, against it as of the Pre-Qualification Closing Date and such Material Dispute is subsequently resolved against the Applicant or such consortium member; the Applicant will be automatically disqualified.
- 4.3 The Applicant must attach to its Qualification Statement, in the order set forth in the annex to the Qualification Statement, certified true copies of the documents listed in that annex.
- 4.4 Each Applicant must pay a non-refundable processing fee of US\$100 or Bangladesh Taka 7,000 upon the submission of its Qualification Statement. The processing fee should be paid by an international or local bank draft made payable to “Local Government Division and should accompany each Applicant’s Pre-Qualification Statement.
- 4.5 The applicant must provide the possible date of commencing and completion Period for the said project.
- 4.6 The applicant must specify the country of origin of their machineries/equipments needed for the proposed plant.
- 4.7 The applicant must specify how much land is required for setting up the plant and its additional works.

5. Exclusion Criteria

- 5.1 Applicants will be disqualified from the pre-qualification process in any of the following events:
 - 5.1.1 Noncompliance with any of the evaluation criteria and/or the requests and/or the conditions set up in the Pre-Qualification Document or failure by an Applicant to provide any of the required information or documentation in its Qualification Statement.
 - 5.1.2 If any of the information submitted by an Applicant is found at any time during or after the pre-qualification process to have been inaccurate or misleading.
 - 5.1.3 If a Material Dispute that is pending against an Applicant (or, in the case of a consortium Applicant, any member of the consortium) as of the Pre-Qualification Closing Date and such Material Dispute is subsequently resolved against the Applicant or such consortium member.

- 5.1.4 Incomplete presentation of the documents or information requested.
- 5.1.5 Any clarifications requested by Local Government Division from an Applicant are not received by a deadline reasonably set by Local Government Division.
- 5.1.6 The Applicant (or, in the case of a consortium, any of its members) is placed under liquidation, court receivership or similar proceedings at any time during the pre-qualification process.
- 5.1.7 Any consortium member participating as either a Lead Member or an Operating Member with more than one Applicant.

ANNEX A

THIS QUALIFICATION STATEMENT CONSISTS OF THE FOLLOWING FORMS AND ANNEXES:

- a. A **Pre-Qualification Cover Letter** (Annex A-1), which should be signed by each Applicant (or, in the case of a consortium Applicant, each member of the consortium).
- b. A **Pre-Qualification Statement Form** (Annex A-2), which should be signed by an authorized signatory of each Applicant.
- c. A **Signing Authorization Form** (Annex A-3), which should be signed by each Applicant (or, in the case of a consortium Applicant, each member of the consortium).
- d. Each of the following annexes:
 - **Annex A** Certified true copies of the constitutional documents of the Applicant (or, in the case of a consortium Applicant, constitutional documents of each member of the consortium), together with certified English language translations of such documents where the originals of such documents are not in the English language.
 - **Annex B** (only for consortium Applicants) Certified true copy of a term sheet signed by each member of the consortium detailing the terms on which the consortium has been or will be established, which should include the following information:
 - Identification of the Lead Member and Operating Member of the consortium; and
 - Extent of shareholding of each member in the consortium.
 - **Annex C** (only for Applicants who have responded affirmatively to Question 1 of Part B of the Qualification Statement) Certified true copies of the Applicant's audited balance sheets (or, in the case of a consortium Applicant, the audited balance sheets of the Lead Member) for the most recent financial year, which should be prepared in accordance with international accounting standards (IAS) and evidence total assets equal to or in excess of US\$40 million and Net Worth equal to or in excess of US\$10 million.
 - **Annex D** (for Applicants who did not respond affirmatively to Question 1 of Part B of the Qualification Statement) Certified true copies of the Applicant's audited balance sheets (or, in the case of a consortium Applicant, the audited balance sheets of the Lead Member) for the past three fiscal years, which should be prepared in accordance with international accounting standards (IAS) and demonstrate the following:
 - Profitability for each of the past 3 fiscal years;
 - A Total Debt to Equity Ratio of no more than 70:30;
 - A Current Ratio (i.e. current assets divided by current liabilities) of no less than 1:1; and
 - Net Worth equal to or in excess of US\$10 million.

ANNEX A-1

PRE-QUALIFICATION STATEMENT FORM

To: Local Government Division.

[INSERT DATE]

From: [INSERT APPLICANT NAME & ADDRESS]¹

The Applicant, [INSERT NAME], through this letter is requesting participation in the pre-qualification process for that certain Waste to Electricity generation project at Dhaka (the “Project”) in the People’s Republic of Bangladesh.

The Applicant hereby declares, in accordance with Section II-H of the Pre-Qualification Document that it:

- (a) Authorizes Local Government Division to proceed with the due diligence necessary to verify the information presented by the Applicant in connection with the pre-qualification process;
- (b) Confirms the veracity of the information presented by the Applicant in this Qualification Statement and otherwise in connection with the pre-qualification process;
- (c) [Has not participated in the pre-qualification process through another Applicant either directly or through its subsidiaries and/or affiliates.]

The Applicant confirms that it accepts the pre-qualification criteria as stipulated in the Pre-Qualification Document dated [INSERT DATE OF PRE-QUALIFICATION DOCUMENT] in relation to the implementation of the Project and waives any right to seek and obtain any court injunction or restraining order against the Government of the People’s Republic of Bangladesh or Local Government Division, Ministry of Local Government, Rural Development & Cooperatives or any other government authority involved in the implementation of the Project to prevent or restrain the pre-qualification process, the holding of a tender, the award of any related contract or any proceedings related thereto.

Yours sincerely,

[Name of Applicant]²³

¹ Consortium Applicants should include the name and address of each member of the consortium.

² Consortium Applicants should have each member of the consortium execute the cover letter.

³ This form to be notarized.

ANNEX A-2

PRE-QUALIFICATION STATEMENT FORM

Date of submission: _____

A: Applicant Details

Name: _____

Jurisdiction of Incorporation: _____

Type of Organization: corporation/partnership/limited liability company/other: _____

Mailing Address⁴: _____

Telephone number: _____

Fax number: _____

Contact details of representative to who correspondence should be addressed:

Name: _____

Mailing Address: _____

Telephone number: _____

Fax number: _____

(For consortium Applicants)

Lead Member: _____ Shareholding: _____%

Operating Member: _____ Shareholding: _____%

Other members: _____ Shareholding: _____%

_____ Shareholding: _____%

_____ Shareholding: _____%

The Applicant should attach certified copies of the documents required as Annex A and Annex B (if applicable) to this Qualification Statement.

⁴ Consortium Applicants should provide address and contact details for the Lead Member.

B: Financial Criteria

- (1) Does the Applicant (or, in the case of a consortium Applicant, the Lead Member) have total assets equal to or exceeding US\$40 million and net worth equal to or exceeding US\$10 million?

_____ Yes

_____ No

Applicants responding affirmatively to Question 1 should provide their audited balance sheets (or, in the case of a consortium Applicant, the audited balance sheets of the Lead Member) for the most recent financial year as Annex C to this Qualification Statement. Applicants responding affirmatively to Question 1 may proceed directly to Question 3 below.

- (2) Applicants who did not respond affirmatively to Question 1 should provide the following additional information (please complete the table and then answer the questions below):

<i>in millions</i>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Year			
Net Income <i>(in local currency)</i>			
Foreign Exchange Rate			
Net Income <i>(in US\$)</i>			
Total Debt			
Total Equity			
Total Debt & Equity			
Debt to Equity Ratio			
Current Assets			
Current Liabilities			
Current ratio			

- (a) Has the Applicant (or, in the case of a consortium Applicant, the Lead Member) demonstrated profitability for each of its past three financial years?

_____ Yes

_____ No

- (b) Does the Applicant (or, in the case of a consortium Applicant, the Lead Member) have a Total Debt to Equity Ratio of no more than 70:30?

_____ Yes

_____ No

- (c) Does the Applicant (or, in the case of a consortium Applicant, the Lead Member) have

a Current Ratio of no less than 1:1?

_____ Yes

_____ No

(d) Does the Applicant (or, in the case of a consortium Applicant, the Lead Member) have a Net Worth of no less than US\$10 million?

_____ Yes

_____ No

Applicants are required to respond affirmatively to each of parts (a) through (d) of Question 2 in order to meet the financial criteria for the pre-qualification process. Applicants should provide their audited balance sheets (or, in the case of a consortium Applicant, the audited balance sheets of the Lead Member) for the three most recent financial years as Annex D to this Qualification Statement.

(3) Please list one or more projects in respect of which the Applicant (or, in the case of a consortium Applicant, the Lead Member) has raised equity financing of at least **US\$4** million in the aggregate in the past three years:

Project Name / Offtaker Name / Location / Country / Completion Date	Amount raised (US\$m)
_____	_____
_____	_____

(4) Please list two projects in respect of which the Applicant (or, in the case of a consortium Applicant, the Lead Member) has raised debt financing of at least US\$10 million in the aggregate in the past three years:

Project Name / Offtaker Name / Location / Country / Completion Date	Amount raised (US\$m)
_____	_____
_____	_____

C: Technical Criteria

Operating Experience

- (1) Please list one or more Waste to Electricity generation projects in respect of which the Applicant (or, in the case of a consortium applicant, the Lead Member or Operating Member) has successfully operated over the past three years:

Project Name / Offtaker Name / Location / Country / Completion Date	Mega wattage
_____	_____
_____	_____
_____	_____

- (2) Please list each Waste to Electricity generation project with a generating capacity of 40 MW or more which is connected to the power grid in the country in which such project is located in respect of which the Applicant (or, in the case of a consortium applicant, the Lead Member or Operating Member) has successfully operated over the past three years:

Project Name / Offtaker Name / Location / Country / Completion Date	Mega wattage
_____	_____
_____	_____
_____	_____

- (3) Do all of the projects cited in the response to questions (1) and (2) above meet the criteria for “successful” operation and management set out in Section 3.1.2 of Section II-H of the Pre-Qualification Document?

_____ Yes
_____ No

- (4) Have the calculations of mega wattage for purposes of the responses to questions (1) and (2) above been made in accordance with the requirements of Section 3.1.3 of Section II-H of the Pre-Qualification Document?

_____ Yes
_____ No

Development Experience

- (5) Does the Applicant (or, in the case of a consortium applicant, the Lead Member or the Operating Member) personally meet the development experience requirements of Section 3.2 of Section II-H of the Pre-Qualification Document?

_____ Yes

_____ No

Applicants responding in the negative to Question 5 should attach to this Qualification Statement evidence of their contractual designation or appointment of a developer that meets the criteria described in Section 3.2.2 of Section II-H of the Pre-Qualification Document, together with a detailed term sheet or memorandum of understanding setting forth the terms of such designation or appointment.

- (6) Please list all independent power projects in respect of which the Applicant (or, in the case of a consortium applicant, the Lead Member or the Operating Member) or its [contracted parties] has successfully developed over the past three years:

Project Name / Offtaker Name / Location / Country / Completion Date	Mega wattage
_____	_____
_____	_____
_____	_____

- (7) Do all of the projects cited in the response to questions (6) above meet the criteria for “successful” management set out in Section 3.2.2 of Section II-H of the Pre-Qualification Document?

_____ Yes

_____ No

(9) Have the calculations of mega wattage for purposes of the responses to questions (6) above been made in accordance with the requirements of Section 3.2.3 of Section II-H of the Pre-Qualification Document?

_____ Yes

_____ No

D: Other Criteria

(1) Please provide details on any disputes with any governmental entity or off-taker relating to any power project where (i) the amount in dispute is at least US\$15 million (or equivalent) or (ii) termination of a material project agreement is sought. Please note whether such disputes either were not resolved in favor of the Applicant over the past 6 years or are still pending. Answers may be submitted on a separate page if necessary.

Year	Nature of dispute	Outcome	Damages payable
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

E: Attestations

We hereby certify and confirm that, as of the date of this Qualification Statement, all of the information provided herein (including all information provided in Section D hereof with respect to material disputes and all supporting documentation annexed hereto) is true, correct and complete.

Signed by:

 Authorized Signatory

ANNEX TO QUALIFICATION STATEMENT

SUPPORTING DOCUMENTATION TO BE FURNISHED BY APPLICANT

We hereby submit for your examination and consideration each of the following documents:

- Annex A** Certified true copies of the constitutional documents of the Applicant (or, in the case of a consortium Applicant, constitutional documents of each member of the consortium), together with certified English language translations of such documents where the originals of such documents are not in the English language.
- Annex B** (only for consortium Applicants) Certified true copy of a term sheet detailing the terms on which the consortium has been or will be established, which should include the following information:
- Identification of the Lead Member and Operating Member of the consortium; and
 - Extent of shareholding of each member in the consortium.
- Annex C** (only for Applicants who have responded affirmatively to Question 1 of Part B of the Qualification Statement) Certified true copies of the Applicant's audited balance sheets (or, in the case of a consortium Applicant, the audited balance sheets of the Lead Member) for the most recent financial year, which should be prepared in accordance with IAS & BAS and evidence total assets equal to or in excess of US\$ 40 million and Net Worth equal to or in excess of US\$ 10 million.
- Annex D** (for Applicants who did not respond affirmatively to Question 1 of Part B of the Qualification Statement) Certified true copies of the Applicant's audited balance sheets (or, in the case of a consortium Applicant, the audited balance sheets of the Lead Member) for the past three fiscal years, which should be prepared in accordance with IAS/BAS and demonstrate the following:
- Profitability for each of the past 3 fiscal years;
 - A Total Debt to Equity Ratio of no more than 70:30;
 - A Current Ratio (i.e. current assets divided by current liabilities) of no less than 1:1; and
 - Net Worth equal to or in excess of US\$10 million.

ANNEX A-3

SIGNING AUTHORIZATION

To: Local Government Division

[INSERT DATE]

From: [INSERT APPLICANT NAME & ADDRESS]⁵

Dear Sir:

We refer to our Qualification Statement in respect of that certain Waste to Electricity generation plant at Dhaka in the People's Republic of Bangladesh.

We hereby confirm that the following person(s) is/are authorized to execute the Qualification Statement, together with any other documents delivered to you in connection therewith, on our behalf

Name	Passport Number	Specimen signature
_____	_____	_____
_____	_____	_____
_____	_____	_____

We confirm that we will be responsible for any representations and/or statements made in any documents delivered to you in connection with the pre-qualification process, which are executed by the above persons.

Yours sincerely,

[Name of Applicant]⁶

⁵ Consortium Applicants should include the name and address of each member of the consortium.

⁶ Consortium Applicants should have each member of the consortium execute this letter.

APPENDIX 1

ECONOMIST'S ONLINE ARCHIVE OF PUBLISHED EXCHANGE RATES

<http://www.economist.com/markets/currency/>