

Questions and Answers on Construction Work Procurements

- **Under what conditions the company is entitled to take part in GIZ tender for construction work procurements?**

Any individual/individuals, partnership, firm or company are entitled to take part in open tender. Information and conditions of participation in open tender one can find at the following addresses: [All GIZ-Ukraine Tenders](#) and [Prozorro – Public Procurements](#)

Any individual/individuals, partnership, firm or company, which have been pre-qualified, may take part in restricted procedure. To get pre-qualified and to be included in GIZ suppliers' base it is necessary to send the respective request to e-mail address of GIZ procurement and contract unit: procurement-ua@giz.de
- **How to find out whether the company takes part in restricted procedure?**

The tendering invitation with the whole required information will be sent to the company's e-mail address.
- **Is it possible to visit the construction site during tender?**

If the tendering conditions specify a visit to the construction site then an invitation to visit the site and to meet GIZ technical experts will be sent to the company's e-mail address.
- **What are the requirements to tender bid?**

Composition and requirements to tender bid (hereinafter referred to as the Tender Bid) are described in detail in the tender documentation. The forms mandatory to be filled in are provided to participants as a part of the tender documentation. Please, pay attention that the bid should be accompanied, without fail, with the Confirmation Letter of tender and the Bill of Quantities (hereinafter referred to as the Offer)
- **What are the requirements to complete the Offer?**

The Offer should be filled in handwriting or to be typed in. Any amendments, modifications, deletions, except of those, specified by the Offer are not allowed. The Offer should contain all prices per work unit and calculation of the total price in UAH. Prices per work unit should be indicated in the Offer without VAT. The VAT amount is added as the last element in the Offer consolidated table. The total price in the Offer should be arithmetically verified and match the price indicated in the Confirmation Letter on meeting the tender conditions. The Offer should be signed by participant or its authorized representative and sealed (if any)
- **Why is the breakdown per work price, price of materials/equipment and other costs not available in the Offer?**

The Offer is developed under international standards and it specifies that the price per work unit includes both work/scope of work and the required materials and other costs
- **Why does the Offer not require the concrete manufacturer/supplier?**

The tenderers may propose any manufacturer of materials who, by quality, meets the indicated criteria. Under such approach the competition is not restricted
- **Is it allowed to submit an alternative/additional bid?**

The bids concerning modifications (alternative), which from the technical point of view will allow for deviations from the Offer requirements, and additional bids may be submitted only together with the main bid. Alternative and additional bids are submitted as separate annexes and should be clearly indicated as such
- **How to ask questions during the tender?**

The tenderers may ask questions when visiting the construction site if the tender conditions specify visiting. Additionally, the tenderers may send questions to the e-mail address of GIZ procurement and contract unit as indicated in the Tender documentation. Comments, explanations or modifications to the Tender documentation are submitted to all tenderers in electronic circular letters. Please, pay attention that circular letters signed by tenderer or its authorized representative are the part of tender bid. Answers to questions sent later than 4 working days before the date of the bid submission are not given.

- **To what address the bid should be sent?**
The bid should be sent to the address indicated in the Invitation to Tender. Recipient is GIZ reception (without specifying a concrete person). The fixed-line telephone number is indicated in the invitation details.
- **I did not indicate the tender number on the envelope. What will happen to my bid?**
All correspondence is received by GIZ reception. Envelopes, which cannot be identified (there is no feedback data and telephone number of contact person are missing), will not be received timely by the Tender Commission and over time will be disposed without opening them
- **Reasons, for which the bid can be rejected?**
a) Receipt of the bid after the opening date and time
b) Availability of contracts with tenderers, which violate the condition on competition restriction prohibition;
c) Disproportionality of prices following the work
- **Is it allowed to be present during the bid opening?**
Tenderers are not allowed to be present during the tender bid opening
- **Are the opening protocol results disclosed?**
The opening protocol is not disclosed
- **How to find out about the tender results?**
Tenderers receive the electronic letter-notification on tender results after the bid evaluation is completed and winner is chosen
- **In which currency the contractual price is specified?**
The contractual price is specified in local currency – UAH
- **I am VAT payer. I will get paid the contractual price including VAT?**
Yes, GIZ pays the VAT amount additionally to the contractual price. If tax incentives are specified for tender then an additional explanation will be given in the Invitation to Tender.
- **How the performed work is paid?**
The performed work is paid monthly subject to submission of original invoice and the Completion Certificate
- **Is it possible for Contractor to receive advance payment to perform work?**
An advance payment is possible subject to submission of bank guarantee under the format specified in contract. At the same time, GIZ may recognize the bank guarantee from one of banks, which:
a) Were selected in the current rating minfin.com.ua under “stress resistance” criterion
b) Ranked 1-15 in the rating
- **I am not happy with payment conditions. May I suggest the other conditions?**
GIZ operates on 100% post payment. The signed bilateral contract is a sufficient ground for occurrence of the obligations. The advance payment conditions are specified by contract (see above)
- **What does the guarantee withholdings under contract mean?**
The 10% of the total amount of each payment is withheld by GIZ as Retention Money. 7.2.6 The amount of Retention Money shall be specified by the Contractor in each invoice in UAH and in Euro equivalent according to the currency rate of the National Bank of Ukraine as of the invoice issue date.
The amount of Retention Money which shall be released shall be calculated as Euro equivalent amount specified in all invoices issued by the Contractor and shall be repaid to the Contractor in UAH, in the amount of the recalculation of withheld amount in euros, according to the currency rate of the National Bank of Ukraine as of the corresponding invoice issue date.
This amount is paid to the Contractor in two parts: 5% - to be refunded to the Contractor after Taking-Over Certificate is signed and the final invoice is submitted; the remaining 5% to be refunded to the Contractor after the defects liability period has expired, provided the works are free of defects.
- **What is the guarantee period specified by the contract?**
The guarantee period is twelve (12) months starting from the date of issuance of Taking-Over Certificate.

- **How is the price for contingency additional work occurred during fulfilment of the contract specified?**
If any tariffs or prices being applied to contingency additional work are not mentioned in the contract then the respective tariffs or prices should be agreed upon between GIZ and the Contractor beforehand. After the respective coordination the written amendment to the contract should be concluded
- **What consequences can be for the Contractor if it fails to complete the work within the period specified by the contract?**
The Contractor should complete the work within the period specified by the contract. If the Contractor fails to complete the work within the specified period then it should pay GIZ a penalty at the rate of 0,1% of the contractual price for each working day of delay but not higher than 5% of the contractual price. At the same time payment of such penalty does not relieve the Contractor from its obligation to complete the work. Besides that, the Contract specifies the GIZ right to terminate the contract unilaterally if the Contractor fails to perform the work in a timely manner.
- **Please, explain, what types of insurance cover should be maintained by the Contractor under the contract?**
 - a) Insurance of its responsibility to third persons (for harming life and/or health of third person; for harming property of third person) related to performance of construction and installation and start-up activities;
 - b) Insurance of construction site or scope of work following the legislation of Ukraine to prevent risks of incidental destruction or damage of construction site
- **What amount of insurance payment, insurance indemnity to be taken into account in the bid?**
An issue on amount of insurance tariff, insurance contributions, insurance coverage, insurance indemnity and restriction of insurance events should be addressed individually in each concrete case, against each concrete risk insurance contract in construction (third party risks). Generalized requirements to this issue are missing. To conclude the insurance contract on the most favourable conditions we recommend you to approach several insurance companies and provide them with source data (offer, drawings, site data, performance time etc.) to make analysis, by underwriters, and to calculate the insurance tariff. In response to such request you will receive personal insurance conditions to be compared and select the most favourable ones. The cost of insurance is included in the bid amount and confirmed in the Letter of tender
- **Is it allowed for one company to conclude several construction work contracts with GIZ?**
Yes, the company may conclude several contracts if on the results of evaluation the said company became a winner in several tenders and it is capable to provide the required guarantees of contractual obligations fulfilment for each of such contracts. The guarantees of contractual obligations fulfilment include the following: required experience and expertise, possibility and capability to perform the work, reliability and availability of technical and financial resources and tools etc.

Best regards,

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH