
**“MONGOLIAN RAILWAY”
STATE OWNED SHAREHOLDING COMPANY**

**“TENDER DOCUMENT ON SELECTION OF CONSULTING SERVICES
FOR TECHNICAL ADVISORY FOR THE NEW RAILWAY PROJECT”**

**ULAANBAATAR
January ..., 2013**

TENDER DOCUMENT FOR CONSULTING SERVICE

Project name: New Railway Project”

Project #: MTZ-ZU-2013-2

Project’s source of financing: MTZ sponsored

Title of consulting services: Technical Advisory service for New Railway Project

SECTION 1

LETTER OF INVITATION

Date:, 2013

1. **Introduction:** Pursuant to Resolution No. 121 of the Government of Mongolia issued on November 3, 2012, MTZ has been granted the license to implement Phase 1 and 2 ("Phase 1 & 2") of the Mongolian State Policy on Railway Transportation approved pursuant to Resolution No. 32 of the Parliament of Mongolia dated June 24, 2010 (the "Railway Policy"). Phase 1 & 2 of the Railway Policy consists of the development, construction and operation of approximately 1,400 km of railway infrastructure from Dalanzadgad to Choibalsan to the east and from Ukhaakhudag to Sainshand, from Sainshand to Baruun Urt, from Baruun Urt to Khoot, from Khoot to Choibalsan, and from Khoot to Bichigt on the desert and steppe terrain.
Invitation: MTZ invites submission of Expression of Interest from experienced Technical consulting entities as a Technical Advisor to MTZ on implementation of the Project.
2. The tender shall be assessed with **Quality Assessment** in order to select Technical Adviser.
3. Interested participants must pay non-refundable tender fee of/...../ USD to account number 404187857 of Trade and Development Bank. When the payment is received interested participants are able to take the Tender document based on the payment receipt at the following address.
4. This tender document includes the following components:
 - Section 1 - Letter of Invitation
 - Section 2 - Instruction for Consultants for preparation of proposals (along with Tender table)
 - Section 3 - Technical Proposal - Standard Forms
 - Section 4 - Financial Proposal - Standard Forms
 - Section 5 - Terms of Reference
 - Section 6 - Contract - Standard Forms
5. **Deadline:** Interested parties shall submit their applications to Client before 4.00 pm (16.00 pm) in Ulaanbaatar time on, 2013, at the following address. MTZ will not accept late applications.

Please inform us, upon receipt of this document.

Address for delivery of applications (documents):

Mongolian Railways SOSC

Finance Center

9th floor

Jigjidjav Street 8, Khoroo (Sub-District) 1

Chingeltei District, Ulaanbaatar 15160, Mongolia

Tel: +976-11 336611,

Fax: +976-11 336644

Contacts:

.....
Head of Project Division

E-mail: tender@mtz.mn
Tel: +976-11 336611

SECTION 2

INFORMATION TO CONSULTANTS

-
- | | |
|-------------------|---|
| 1. General | <p>1.1. The Client will select a consultant among those listed in the Letter of Invitation, in accordance with the method of selection specified in the Data Sheet.</p> <p>1.2. The consultants are invited to submit a Technical Proposal and a Financial Proposal simultaneously or technical proposal solely according to Data Sheet. The proposal will be the basis for contract negotiations and ultimately for a signed contract with the selected consultant.</p> <p>1.3. The assignment shall be implemented in accordance with the phasing indicated in the Data Sheet. When the assignment includes several phases, the performance of the consultant under each phase must be to the Client's satisfaction before work begins on the next phase.</p> <p>1.4. The consultants must take local conditions into account in preparing their proposals. To obtain firsthand information on the assignment and on the local conditions, consultants are encouraged to visit the Client before submitting a proposal and to attend a pre-proposal conference if one is specified in the Data Sheet. The consultant should contact the officials named in the Data Sheet to arrange for their visit or to obtain additional information on the pre-proposal conference.</p> <p>1.5. The Client will provide the inputs specified in the Data Sheet, assist the consultant in obtaining licenses and permits needed to carry out the services, and make available relevant project data and reports.</p> <p>1.6. Please note that the costs of preparing the proposal and of negotiating the contract are not reimbursable as a direct cost of the assignment. The Client has a right to reject any of the proposals submitted without any liability.</p> <p>1.7. The service provided by the consultant must be professional, objective, and impartial advice and at all times hold the Client's interests paramount, without any consideration for future work, and strictly avoid conflicts with other assignments or their own corporate interests. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other Procuring entities, or that may place them in a position of not being able to carry out the assignment in the best interest of the Client.</p> <p>1.7.1. Without limitation on the generality of the rule set out in Sub-Clause 1.7, consultants shall not be hired under the circumstances set forth below:</p> <p style="margin-left: 40px;">(1) An entity, who has been engaged by the Client to provide other goods or works for a project, and any of its affiliates, shall be disqualified from providing consulting services for the same project. Conversely, consultants hired to provide consulting services for the preparation or implementation of a project, and any of their affiliates, shall be disqualified from subsequently providing other goods or works or services related to the initial assignment (other than a continuation or extension into new phases of the consultant's earlier consulting services) for the same project.</p> <p style="margin-left: 40px;">(2) Consultants or any of their affiliates shall not be hired for any assignment which, by its nature, may be in conflict with another</p> |
|-------------------|---|

assignment of the consultants. For instance, consultant, who has been selected to prepare FEED for infrastructure, cannot be involved in preparing environmental assessment report of the project, furthermore, consultant serving for client, who is privatizing state property, cannot buy that asset or cannot serve as a consultant for buyer of this asset. Likewise, consultant selected for preparing terms of reference for project cannot take part in the same project.

- (3) Consultant should inform about possible or actual conflicts of interest or any circumstances of that nature with similar consequences that limit consultant to work for the best interest of client. By not informing these circumstances, consultant might be eliminated from tender process and contract can be terminated.

1.7.2. As pointed out in paragraph 1.7.1 (1) above, consultants may be hired for downstream work, when continuity is essential, in which case this possibility shall be indicated in the Data Sheet and the factors used for the selection of the consultant should take the likelihood of continuation into account. It will be the exclusive decision of the Client whether or not to have the downstream assignment carried out, and if it is carried out, which consultant will be hired for the purpose.

1.8. The Client and consultant shall observe the highest standard of ethics during the selection and execution of contracts

1.9. If public servant taking part in procurement or the participant of tender have any records of violating Anti-corruption law, Antitrust law and any articles of criminal code related to corruption, fraud, price fixing and threatening activities, they should inform corresponding officials and legal entities accordingly.

Authorized consultant 1.10 Invitation for tender is open for authorized consultants listed on shortlist. Based on Article 9.3 of “Law on procurement of goods, works and services with state and local funds”, if invitation letter does not prohibit any foreign bidders, then consultants and partnership members can be any nationality.

1.11. In the following, consultant (relevant for joint venture members) is regarded not authorized:

1.11.1 If consultant is bankrupt, has no financial capacity of payment, has negotiated with borrower to avoid bankruptcy and if consultant’s business activities are stopped;

1.11.2 If no tax payment and fee is paid according to Mongolian law or any other country’s law of established country;

1.11.3 State owned or partially state owned legal entities operate under control of client;

1.11.4 Serious violation of procurement contract, not being able to deliver final results and/or professional failure identified by legal and judicial entity within the last three years;

1.11.5 If bidder has participated in preparing design and technical and documentations of goods and services or has mutual interest with consultant who has been identified as owner’s engineer;

1.11.6 Submission of falsified bid has been identified by authorized organization;

1.11.7 If legal and judicial entity has identified any violations in relation to Anticorruption law, Antitrust law and Criminal law such as corruption, fraud, price fixing, threat over the last 3 years.

1.11.8 If the consultant (including all sub-contractors) has a mutual interest with parties who prepared design, technical specifications and other documentations or with parties who will monitor the contract.

1.11.9 If legal representative of two or more bidders is same;

1.11.10 If bidder has submitted more than one bid, if not stated in this tender documentation; (However, this sub-clause does not prohibit entities from becoming subcontractors or submitting proposals for more than one tender package)

1.11.11 If entity is state owned or partially state owned and operations are run under control of the client /According to Law on financing and management of public entities, the government can pursue profit-seeking activities only through state-owned factories/production facilities and partially state owned legal entities, thus other state organizations are disqualified to bid for the tender /.

1.12 Bidder is obligated to report to the client in written format if circumstances occur stated in Section 1.11.1 to 1.11.11. To validate such statement, the bidder shall submit supporting documents as required by the client.

2. Clarifications

2.1 Any request for clarification must be sent in writing or by cable ("cable" shall only include telex, facsimile, and email) to the Client's address indicated in the Invitation Letter. The Client will respond to requests submitted prior to days stated in the Data Sheet from the expiration date of submission of proposals and will notify the response (including an explanation of the query but without identifying the source of inquiry) in writing or by cable to all invited consultants who intend to submit proposals.

2.2 At any time before the expiration date of submission of proposals, the Client may, whether at its own initiative or in response to a clarification requested by an invited consultant, amend the document. Any amendment shall be inseparable part of the tender document and shall be notified to all invited consultants in writing or by cable. The Client may extend the deadline for the submission of proposals if necessary.

3. Preparation of Proposal

3.1. Consultants are requested to submit a technical and a financial proposal written in the language(s) specified in the Data Sheet.

Technical Proposal

3.2. In preparing the Technical Proposal, consultants are expected to examine the documents constituting this RFP in detail. Material deficiencies in providing the information requested may result in rejection of a proposal.

3.3. While preparing the Technical Proposal, consultants must give particular attention to the following:

- (1) If a shortlisted consultant considers that it does not have all the expertise for the assignment, it may obtain a full range of expertise by associating with individual consultant(s) and/or other consultants or entities in a joint venture or subconsultancy, as appropriate. Consultants may associate with the other consultants invited for this assignment only with approval as indicated in the Data Sheet. The foreign consultants cooperating with domestic consultants are considered in the evaluation.
- (2) Client shall specify in the Data Sheet budget or personnel-month based Personnel number. The proposal shall, however, be based on the consultant's own estimation.

- (3) It is desirable that the majority of the key professional personnel proposed, be permanent employees of the consultant company or have an extended and stable working relationship with it.
- (4) Proposed professional personnel must, at a minimum, have the experience indicated in the Data Sheet.
- (5) Alternative professional personnel shall not be proposed, and only one personnel may be proposed for each position.
- (6) Reports to be issued by the consultants as part of this assignment must be in the language(s) specified in the Data Sheet.

**Formatting of
technical proposal,
and content**

- 3.4. Consultant is required to submit a full technical proposal that is in compliance with project specification and scope of work. Proposal that is not in line with standard format of technical proposal will be disqualified. Technical proposal shall contain following information according to Data Sheet included in Section 3. These are:
 - (1) A brief description of the consulting company and an outline of recent experience on assignments of a similar nature (Form 3.2). For each assignment, the outline should indicate the profiles of the personnel proposed, duration of the assignment, contract amount, and consultant's involvement.
 - (2) A description of the methodology and work plan for performing the assignment including training if the Data Sheet specifies training as a major component of the assignment (Form 3.3).
 - (3) The list of the proposed personnel by specialty, the tasks that would be assigned to each personnel, and timing of the task (Form 3.4).
 - (4) Proposed personnel CV. And it should be signed by personnel and authorized representative submitting the proposal (Form 3.5). Key information should include number of years working for the consultant/entity and degree of responsibility held in various assignments during the last ten (10) years.
 - (5) Estimates of the total professional personnel input needed to carry out the assignment, supported by bar chart diagrams showing the time proposed for each personnel (Form 3.6 and 3.7).
 - (6) Other additional information specified in the Data Sheet
- 3.5. The Technical Proposal shall not include any financial information. Technical proposals containing any financial information shall be disqualified.

- 4. Financial Proposal**
- 4.1. In preparing the Financial Proposal, consultants are expected to take into account the requirements and conditions outlined in Section 4 of this document. It lists all costs associated with the assignment:
- (a) remuneration for personnel (foreign and local, in the field and at headquarters), and
 - (b) Reimbursable expenses such as subsistence (per diem, housing), transportation (international and local, for mobilization and demobilization), goods and services (vehicles, office equipment, furniture, and supplies), office rent, insurance, printing of documents, surveys, and training, if it is a major component of the assignment. If appropriate, these costs should be broken down into foreign and local expenditures.
- 4.2. The Consultant, subcontractor and their workers may be subject to local taxes (such as: value added or sales tax, social charges or income taxes on non resident Foreign Personnel, duties, fees, levies) on amounts payable stated separately in the financial proposal, unless otherwise stated in the Data Sheet.
- 4.3. Consultants may express the price of their services in the currency indicated in the Data Sheet.
- 4.4. The Data Sheet indicates how long the proposals must remain valid. During this period, the consultant is expected to keep available personnel proposed for the assignment. The Client will make its best effort to complete negotiations within this period. Validity period of the proposal may be extended if necessary.
- 5. Submission, Receipt, and Opening of Proposals**
- 5.1. The original proposal shall be prepared in indelible ink. Corrections made in order to clarify errors in any pages of the proposals by the consultant must be initialled by the person (entitled person to sign, or his attorney) who signs the technical and financial proposals.
- 5.2. The person mentioned above shall initial each page of the proposals. The representative's authorization is confirmed by a written power of attorney accompanying the proposal.
- 5.3. For each proposal, the consultants shall prepare the number of copies indicated in the Data Sheet. Each Technical Proposal and Financial Proposal shall be marked "ORIGINAL" or "COPY" as appropriate. If there are any discrepancies between the original and the copies of the proposal, the original governs.
- 5.4. The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked "Technical Proposal," and the original and all copies of the Financial Proposal in an another sealed envelope clearly marked "FINANCIAL PROPOSAL" and warning: "DO NOT OPEN WITH THE TECHNICAL PROPOSAL." Both envelopes shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address and other information indicated in the Data Sheet and be clearly marked, "DO NOT OPEN, EXCEPT IN PRESENCE OF THE EVALUATION COMMITTEE."
- 5.5. The completed Technical and Financial Proposals must be delivered at the submission address on or before the time and date stated in the Data Sheet. In case all the envelopes are not sealed and marked in accordance with requirements stated in 23.3 or delivered to wrong address, opened before opening of the tender the Client shall not be rendered responsible. Any proposal received after the closing time for submission of proposals shall be returned unopened.

- 5.6. After the deadline for submission of proposals, the Technical Proposal shall be opened immediately by the evaluation committee. The Financial Proposal shall remain sealed and deposited with the head of Tender Committee until all submitted proposals are opened publicly.

6. Proposal Evaluation

General

- 6.1 From the time the bids are opened to the time the contract is awarded, if any consultant wishes to contact the Client on any matter related to its proposal, it should do so in writing. Any effort by the consultant to influence the Client in the Client's proposal evaluation, proposal comparison or contract award decisions may result in the rejection of the consultant's proposal.

The financial proposal shall be opened only following the approval of technical proposal evaluation by the Tender Committee. In case the provisions indicated in article 8.14 of the law are met the evaluation committee shall first send the technical proposal to the government agency and open the financial proposal upon the permission of the government agency.

Evaluation of Technical Proposals

- 6.2 The evaluation committee evaluates the technical proposal on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria, sub criteria (typically not more than three per criteria), and point system specified in the Data Sheet. Each proposal will be given a technical score (St). A proposal shall be rejected at this stage if it does not respond to important aspects of Technical Reference or if it fails to achieve the minimum technical score indicated in the Data Sheet.

Quality evaluation method and financial proposal

- 6.3 The highest ranked consultant is invited to negotiate its proposal and the contract on the basis of the Technical Proposal and the Financial Proposal submitted in accordance with the instructions given in para. 1.2 and the Data Sheet. This provision shall also prevail in the case of direct contract method.

7. Negotiations

- 7.1 Negotiations shall be held at the address indicated in the Data Sheet. The aim is to reach agreement on all points and sign a contract.
- 7.2 Negotiations shall include a discussion of the Technical Proposal, the proposed methodology (work plan), personnel and any suggestions made by the consultant to improve the Terms of Reference. The Client and consultant will then work out final Terms of Reference, and bar charts indicating activities, personnel, periods in the field and in the home office, staff-months, logistics, reporting and other issues. The agreed work plan and final Terms of Reference will then be incorporated in the "Description of Services" and form part of the contract. Special attention shall be paid to getting the most of the consultant can offer within the available budget and to clearly defining the inputs required from the Client to ensure satisfactory implementation of the assignment. The procuring party shall take the notes of negotiations and the parties shall verify it by signing.
- 7.3 The financial negotiations shall include a clarification (if any) of the consultant's tax liability, and the manner in which it shall be reflected in the contract; and shall reflect the agreed technical modifications in the cost of the services.
- 7.4 Having selected the consultant on the basis of, among other things, an evaluation of proposed key personnel, the Client expects to negotiate a contract on the basis of the experts named in the proposal. Before contract negotiations, the Client shall require assurances that the experts will be actually available. The Client will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives of the assignment. If this is not the case and if it is

established that key personnel were offered in the proposal without confirming their availability, the consultant may be disqualified.

- 7.5 The negotiations shall conclude with a review of the draft of the contract. To complete negotiations the Client and the consultant shall initial the agreed contract. If negotiations fail, the Client shall invite the consultant whose proposal received the second highest score to negotiate a Contract.

8. Award of Contract

- 8.1 The contract shall be awarded following negotiations. After negotiations are completed, the Client shall promptly notify other consultants on the shortlist that they were unsuccessful and return the unopened Financial Proposals of those consultants who did not pass the technical evaluation (see para. 5.3).
- 8.2 The consultant is expected to commence the assignment on the date and at the location specified in the Data Sheet.

9. Confidentiality

- 9.1 Information relating to evaluation of proposals and recommendations concerning awards shall not be disclosed to the consultants who submitted the proposals or to other persons not officially concerned with the process, until the winning consultant has been awarded the contract.

SECTION 5

INFORMATION TO CONSULTANTS

DATA SHEET

Clause

Reference

- 1.1 The name of the Client is: “Mongolian Railway” State Owned Shareholding Company
The method of selection is: Quality- based Selection
- 1.2 Technical and Financial Proposals are requested: **Yes**
A Technical Proposal only is requested: **No**
The name, objectives, and description of the assignment are:
TECHNICAL ADVISER
Implementation of the complex railway project consists new railway and civil infrastructure, and ecological solution for approximately 1400 km railway, Ukhaahudag-Sianshand, Sainshand- Baruun Urt, Baruun Urt-Khuut, Khuut-Choibalsan, Khuut-Bichigt.
- 1.3 The assignment is -phased: **No**
- 1.4 A pre-proposal conference will be held: **No**
- 1.5 The Client will provide the following inputs:
Will provide necessary information, studies, technical blueprint
- 1.7.2 The Client envisages the need for continuity for downstream work: **No**
- 2.1 Clarifications may be requested **5 (five)** working days before the submission date. The address for requesting clarification is:

“Mongolian Railway” State Owned Shareholding Company,
“Finance Center”, 9-th Floor, Jigjidjav Street-8,
Ulaanbaatar 15160, Mongolia

Tell: 976-11-336611
Fax: 976-11-336644
Email: tender@mtz.mn
- 3.1 Proposal should be submitted in the following language(s): **Mongolian and English**
- 3.3 (2) Data Sheet Budget: **Mutually negotiated and fixed budget**
- (4) Proposed advisers are must be fulltime employee of the consulting entity and with professional experience at least for 5 year.
- (7) Reports that are part of the assignment must be written in the following language(s):
Mongolian and English
- 3.4 Technical Proposal submission format is: **Full Technical Proposal**
- (7) Whether training is included: **Yes**
- 3.7 Taxation: **All Taxes and Fees are included in proposed budget.**

- 3.8 Financial proposal currency is **USD**.
- 3.9 Financial proposal must remain valid **60** days after the submission date.
- 4.3 Consultants must submit original and **1(one)** additional copies of each proposal.
- 5.4 The proposal submission address is:

“Mongolian Railway” State Owned Shareholding Company,
 “Finance Center”, 9-th Floor, Jigjidjav Street-8,
 Ulaanbaatar 15160, Mongolia

Tell: 976-11-336611

Fax: 976-11-336644

Email: tender@mtz.mn

Information on the outer envelope should also include:

Tender document: Legal Advisory Service

Number: MTZ-ZU-2013-01

The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked “Technical Proposal,” and the original and all copies of the Financial Proposal in an another sealed envelope clearly marked “**FINANCIAL PROPOSAL**” and warning: “**DO NOT OPEN WITH THE TECHNICAL PROPOSAL**”. Both envelopes shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address and other information indicated in the Data Sheet and be clearly marked, “**DO NOT OPEN, EXCEPT IN PRESENCE OF THE EVALUATION COMMITTEE**”.

- 4.5 Proposals must be submitted no later than the following date and time:
 _____, 2013, 5:00 pm
- 5.2 The number of points to be given under each of the evaluation criteria for full technical proposals are:

CRITERIA:

| | |
|---|-------------|
| (1) Professional Experiences of the consultants related to the assignment: | [20] |
| Reputation | 5 |
| Experience in Mongolia | 5 |
| Experience of railway projects | 5 |
| Experience of large scale projects | 5 |
| (2) Adequacy of the proposed work plan and methodology in responding to the | |
| Terms of Reference | [40] |
| Expenditure | 10 |
| Work schedule | 10 |
| Monitoring of planning and implementation | 10 |
| Team credential /CV/ | 10 |
| (3) Technical performance | [40] |
| Field work management | 10 |
| Engineering calculation | 20 |
| Support to construction work | 10 |

TOTAL SCORE: [100]

Minimum technical score required to pass: [70]

6.3 Mutual negotiation must be held with consultants who scored the most.

The single currency for price conversions is: USD

Date:, 2013 with the Rate of Bank Mongolia

SECTION 3**TECHNICAL PROPOSAL - STANDARD FORMS**

- 3.1. Technical Proposal form
- 3.2. Consultant's Organization and Expenses
- 3.3. Description of Approach, Methodology and Work Plan
- 3.4. Team composition and task assignments
- 3.5. Format of curriculum vitae (CV) for proposed professional personnel
- 3.6. Schedule for personnel
- 3.7. Activity (work) schedule

3.1. TECHNICAL PROPOSAL - STANDARD FORMS

[Date]

To: [Name of Client and Clients CEO's name]

Dear Sir:

We, the undersigned, offer to provide the consulting services for [Insert title of assignment] in accordance with your Request for Proposal dated [Insert Date] and our Technical Proposal. Attached are our Technical and Financial¹ Proposals in separately sealed envelope.

Our Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e. before the date indicated in (date).

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [*and seal*]: _____

Name and Title of Signatory: _____

Name of Firm: _____

Address: _____

3.2. CONSULTANT'S ORGANIZATION AND EXPERIENCE

A – Consultant's Organization

Provide a brief (two-three pages) description of the background and organization of your firm/entity and its qualifications for this assignment.

B – Consultant's Experience

RELEVANT SERVICES CARRIED OUT IN THE LAST FIVE YEARS THAT BEST ILLUSTRATE QUALIFICATIONS

Using the format below, provide information on each assignment for which your entity, either individually as a corporate entity or as one of the major companies within an association, was legally contracted.

| | | |
|--|------------------|--|
| Service name: | | Country: |
| Location: | | Proposed personnel (profession): |
| Name of Client: | | Nº of employees: |
| Address: | | Total Nº of person-months of the assignment and time: |
| Start date: | Completion date: | Approx. value of the services provided by your firm under the contract (in million US \$): |
| Name of joint venture partner or sub-Consultants, if any: | | Nº of months spent by the joint venture partners or the Sub-Consultants: |
| Key personnel (indicate most significant profiles such as Project Director/Coordinator, Team Leader): Line of duty: | | |
| Narrative description of Project: | | |
| Description of actual services provided in the assignment: | | |

Firm's Name: _____

3.3 DESCRIPTION OF APPROACH, METHODOLOGY AND WORK PLAN FOR PERFORMING THE ASSIGNMENT

Technical approach, methodology and work plan are key components of the Technical Proposal. You are suggested to present your Technical Proposal divided into the following three sections:

- a) Technical Approach and Methodology,
- b) Work Plan, and
- c) Organization and Staffing

a) Technical Approach and Methodology. In this chapter you should explain your understanding of the objectives of the assignment, approach to the services, methodology for carrying out the activities and obtaining the expected output.

b) Work Plan. In this chapter you should propose the main activities of the assignment, their content and duration, phasing and interrelations.

c) Organization and Staffing. In this chapter you should propose the structure and composition of your team.

3.4. TEAM COMPOSITION, TASK ASSIGNMENTS

| 1. Professional Staff | | | |
|-------------------------|----------|------------------------------------|---------------|
| Family Name, First Name | Position | Work Experience; Area of Expertise | Task Assigned |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

| 2. Supporting Staff | | | |
|-------------------------|----------|------------------------------------|---------------|
| Family Name, First Name | Position | Work Experience; Area of Expertise | Task Assigned |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

3.5. CURRICULUM VITAE (CV) FOR PROPOSED EXPERTS

Position: _____

Name of Firm: _____

Name of Expert: _____

Profession: _____

Date of Birth: _____ Citizenship: _____

Years with Entity: _____

Membership of Professional Associations: _____

Countries of Work Experience: _____

Main qualifications:

[Give an overview of training aspects and experience of the employee most useful to his tasks as part of the mission. Indicate the level of the responsibilities exerted by him/her at the time of previous projects, specifying the date and the place. Use about half a page]: _____

Education:

[Indicate college/university and other specialized education of expert, giving names of institutions, degrees obtained, and dates of obtainment. The information must fit into quarter of a page. Use about one quarter of a page.]: _____

Employment Record:

[Starting with present position, list in reverse order every employment held by expert since graduation, giving for each employment: dates of employment, name of employing organization, positions held. For the last ten years, specify in addition the type of activity carried out and if required, the name of customers likely to provide references. Use about two pages.]: _____

Languages:

[For each language indicate proficiency: good, fair, or poor in speaking, reading, and writing]: _____

Certification:

I, the undersigned, certify to the best of my knowledge and belief that this CV correctly describes my qualifications and my experience.

Last name, first name, signature of expert _____ Date: _____

Full name of authorized representative: _____ Date: _____

3.6. SCHEDULE FOR PERSONNEL

| | | Professional Expert input (in the form of a bar chart) | | | | | | | | | | | | | | | | | | |
|----------------|----------|--|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|-------|
| Name of Expert | Position | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | Month |
| International | | | | | | | | | | | | | | | | | | | | |
| National | | | | | | | | | | | | | | | | | | | | |

Full time input

Part time input

3.7. WORK SCHEDULE

| | <i>[1st, 2nd, etc. are months from the start of assignment.]</i> | | | | | | | | | | | | | | | | | |
|----------|--|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| Activity | | | | | | | | | | | | | | | | | | |
| ----- | | | | | | | | | | | | | | | | | | |
| ----- | | | | | | | | | | | | | | | | | | |
| ----- | | | | | | | | | | | | | | | | | | |
| ----- | | | | | | | | | | | | | | | | | | |
| ----- | | | | | | | | | | | | | | | | | | |

SECTION 4

FINANCIAL PROPOSAL - STANDARD FORMS

- 4.1. Financial Proposal submission form
- 4.2. Summary of costs
- 4.3. Cost breakdown per activity
- 4.4. Breakdown of remuneration per activity
- 4.5. Reimbursable expenses per activity
- 4.6. Miscellaneous expenses

4.1. FINANCIAL PROPOSAL SUBMISSION FORM

[Date]

To: Head of the [Name of Client]

We, the undersigned, offer to provide the consulting services for [Title of consulting services] in accordance with your Request for Proposal dated [Date] and our Proposal (Technical and Financial Proposals). Our attached Financial Proposal is for the sum of [Amount in words and figures]. This amount includes the local taxes, which we have estimated at [Amount(s) in words and figures].

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e., [Date].

We understand you are not bound to accept any Proposal you receive.

Yours sincerely,

Authorized Signature, seal: _____

Name and Title of Signatory: _____

Name of Firm: _____

Address: _____

4.2. SUMMARY OF COSTS

| Costs | Currency(ies) ² | Amount(s) |
|--|----------------------------|-----------|
| Total Cost of Proposal (Excluding Local Taxes) | | |
| Local Taxes | | |
| Total Amount of Financial Proposal | | |

4.3. BREAKDOWN OF PRICE PER ACTIVITY

Activity or Phase: _____ Description: _____

| Price Component | Currency(ies) | Amount(s) |
|------------------------|---------------|-----------|
| Remuneration | | |
| Reimbursable expenses | | |
| Miscellaneous Expenses | | |
| Subtotal | | |

² Maximum of three currencies plus MNT.

4.4. BREAKDOWN OF REMUNERATION PER PERSONNEL

| Names | Position | Remuneration Currency(ies) | Amount |
|-------------------------|----------|-------------------------------|--------|
| International personnel | | | |
| Local personnel | | | |
| Grand Total | | | |

4.5. REIMBURSABLE EXPENSES PER ACTIVITY

| No. | Price Items | Unit | Quantity | Unit Price In | Total Amount In |
|-----|-------------------------------|------|----------|---------------|-----------------|
| 1. | International flights | Trip | | | |
| 2. | Miscellaneous travel expenses | Trip | | | |
| 3. | Per deim | Day | | | |
| 4. | Local transportation costs | | | | |
| 5. | Rent/accommodation | | | | |
| | Total | | | | |

4.6 MISCELLANEOUS EXPENSES

Activity No. _____

Name: _____

| No. | Description | Unit | Quantity | Unit Price | Total Amount |
|-----|---|------|----------|------------|--------------|
| 1. | Communication costs between _____ and _____ (telephone, telegram, telex) | | | | |
| 2. | Drafting, reproduction of reports | | | | |
| 3. | Equipment: vehicles, computers, etc. | | | | |
| 4. | Software | | | | |
| | Total | | | | _____ |

SECTION 5

TERMS OF REFERENCE

Technical Advisor (TA) service including Ukhaakhudag – Sainshand – Baruun Urt – Khuut – Choibalsan and Khuut – Bichigt routes consists from three main packages:

One. To monitor, analyze and assist to supervise the detailed environment impact assessment, geotechnical and geodesy survey, monitor earth stripping work, provide auditing services, and assist to manage ongoing fieldwork.

Two. Creation of Front End Engineering Design (“FEED”) for Ukhaakhudag – Sainshand – Baruun Urt – Khuut – Choibalsan and Khuut – Bichigt routes.

Three. Support in Engineering Procurement and Construction (“EPC”) contractor selection, including preparation of EPC tender documents, conduct workshop for MTZ fulltime employees on EPC tendering process, support MTZ in evaluating proposals and in EPC contract negotiations.

One. To monitor, analyze and assist to supervise the detailed environment impact assessment, geotechnical and geodesy survey, monitor earth stripping work, provide auditing services, and assist to manage currently ongoing fieldwork:

1.1 General

1.1.1 Technical Advisor will be responsible for reviewing, integrating and compiling the information from detailed environment impact assessment, geotechnical and geodesy survey and from earth stripping work in order to ensure compliance with both Mongolian and International regulations and standards. Additionally TA will be required to manage currently ongoing survey works to the completion.

1.1.2 Based on the information provided by MTZ, TA will determine whether it is necessary to make amendments/additions to the completed/ongoing preparation works and documents for FEED. TA will work closely with MTZ in order to advise in the decisions related to above issues.

1.1.3 TA will use the results of the topographical and geotechnical and environmental surveys to review the alignment selected by MTZ and advise on any changes to the alignment which may be required to minimize the life cycle costs and to ensure safety of the railway. TA will complete technical design of the alignment after MTZ approval.

1.2 Fieldwork Project Management Sub-tasks include:

- 1.2.1 Based on the information from the Feasibility Study, finalize all the technical parameters and issue recommendations
- 1.2.2 Evaluate geodesy survey data and highlight sections requiring additional survey work necessary for FEED
- 1.2.3 Supervise completed/additional geodesy survey work for Ukhaakhudag-Sainshand-Baruun Urt-Khuut-Choibalsan and Khuut-Bichigt routes

- 1.2.4 Evaluate existing geological survey data for Ukhaakhudag-Sainshand-Baruun Urt-Khuut-Choibalsan and Khuut-Bichigt routes and highlight sections requiring additional survey work necessary for FEED
- 1.2.5 Supervise and **monitor** ongoing/additional geotechnical surveying, including fieldwork (drill holes and samples, pits, etc.) and lab testing (both physical and mechanical)
- 1.2.6 Translate and review and evaluate the existing/additional detailed environmental impact assessment reports, ensure the compliance with International standards and supervise any additions/ amendments necessary for FEED
- 1.2.7 Support in creation of contracts with additional survey conducting firms and embankment construction firms for Ukhaakhudag-Sainshand-Baruun Urt-Khuut-Choibalsan and Khuut-Bichigt routes
- 1.2.8 Monitor, manage, and supervise the completed and ongoing works of stripping and embankment firms for Ukhaakhudag-Sainshand-Baruun Urt-Khuut-Choibalsan and Khuut-Bichigt routes
- 1.2.9 Prepare generic environment and social impact assessment report, environmental information and reports with format that meets World Bank/IFC standards to provide to the EPC bidders.

Two. Creation of Front End Engineering Design (“FEED”)

2.1 General

2.1.1 The purpose to create the FEED is to provide the quality accurate information for EPC tender participants, optimize the construction and operational phase expenses.

2.1.2 TA will develop FEED for new railway between Ukhaakhudag-Sainshand-Baruun Urt-Khuut-Choibalsan and Khuut-Bichigt. TA and MTZ will work together to determine key parameters of design such as the location of maintenance facilities, stations, junction, the capacity, consist length, line capacity, number of stations and junctions, length of station sidings, signaling, communication systems, snow and sand protection barriers etc. FEED will be based on the Feasibility Study completed by Advisory Team of MTZ. The FEED will describe details of construction related elements of the railway infrastructure that will be used directly in the EPC tenders. FEED will be developed in connection with completed/ongoing **geodesy, geological and environment impact assessment** works by MTZ's contractors.

2.1.3 The recommendations, documents and design shall comply with Mongolian and International standards and it shall provide the appropriate reference.

2.1.4 FEED will be developed in connection with current **infrastructure** developments, **projects**, surveys and estimations.

2.2 Basic components of the work required by FEED:

- 2.2.1 Longitudinal section in soft and hard format /horizontal 1:5000, vertical 1:500/
- 2.2.2 Cross section in soft and hard format /horizontal 1:100, vertical 1:100/ per 500m
- 2.2.3 Plan in soft and hard format /1:1000/ and for urban area 1:500
- 2.2.4 Elaborate construction works schedule and plan of the EPC contractor. Finalized track plan including detailed longitudinal and route drawings. The TA will need to explain the changes it is suggesting from the current track plan (detailing the economical and operational trade-offs)

- 2.2.5 Develop formation /embankment, cut/ standard design and instruction including structure, density, filling materials in accordance with Mongolian and International standards, laboratory testing and controlling methods, quality criteria, embankment construction methodology.
- 2.2.6 Hydrology analysis on all rivers, dry river beds and determine the location, number, capacity of bridges and culverts
- 2.2.7 Determine the bridge trestle (caps and piles) depth based on the geotechnical survey
- 2.2.8 Calculate water, estimated water flow at bridges, bridge hydraulic parameters, culvert estimated water flow
- 2.2.9 Hydrological calculation along the overall length of planned railway with regard to the rivers, hydrology, landscape, geology and climate conditions, as specified in the standards
- 2.2.10 Define the extent and quantity of dams and drains for flood protection of railway
- 2.2.11 Define the extent and quantity of eco-bridges based on the DEIA
- 2.2.12 To prepare basic design and drawings based on geodesy and geotechnical surveys. Detailed description of required civil works, structures specially but not limited to **formation**, bridges, eco bridges, pipes and culverts including technical specifications, result of the calculations, design etc.
- 2.2.13 Develop track work technical requirements including rail bar, sleepers, fasteners, ballast and turnouts.
- 2.2.14 Develop technical specification and technical design of signaling and communication systems
- 2.2.15 Develop technical requirements and technical design for electrical and mechanical system and electrical power requirements of the project
- 2.2.16 Develop technical requirements to categorize and design for each station, junction, passing loops and maintenance facility including location, capacity, level numbers, purpose, lighting, location of specific technical equipment, basic materials for construction, architectural basic plan **for technological and habitation buildings**, drawings regarding the climate condition, general engineer logistic solution, health and safety requirements.
- 2.2.17 To determine technological key parameters and capacity requirements of technical facilities including depot and general engineering solutions.
- 2.2.18 Define the technical requirements of rolling stock
- 2.2.19 Develop technical requirements and basic design for water delivery and supply system (in assumption with water source)
- 2.2.20 Define the technical requirements for rolling stock maintenance facilities such as depots, resting accommodation for train crews, technical inspection facilities including location, numbers and capacity. MTZ will advise if any special engineering rolling stock is required.
- 2.2.21 Elaborate a consulting document for choosing technological choice on trans-loading facilities. Develop technical specifications and basic design for trans-loading facilities and examine the possible options to optimize the cycle time and total cost of ownership.
- 2.2.22 Determine the extent and size of cut and embankment earthwork and recyclables
- 2.2.23 Identify the sites which need soil replacement, drain, filling materials for formation and determine the extent and size of the work based on the geotechnical analysis
- 2.2.24 Based on results of the DEIA and geotechnical surveys, identify the sites which need sand and snow protection and propose optimal solutions for such purposes
- 2.2.25 Determine the railway strip size according to MNS 6060:2010

- 2.2.26 To support the EPC selection and negotiation, TA will need to provide detailed contractor estimates of all major construction capex including at least earthwork (embankment, cut, slope protection, drainage), structures (culvert, pipes, eco bridges, fences), and track (ballast, rail bar, sleepers). Technical Advisor shall provide detailed BOQ for all major elements as well as estimates of construction costs (stripping work, ballast, water logistics).

2.3 Sub-tasks required for the FEED include:

- 2.3.1 Develop operations and maintenance strategy
- 2.3.2 Prepare EPC contracts and assist to manage document control for all consultants and contractors with respect to technical aspects of the project up to contract award.
- 2.3.3 Manage and optimize the alignment based on completed and ongoing geodesy and geotechnical work. Recommend additional investigations required to complete design and allow construction by existing embankment firms and future EPC contractors.
- 2.3.4 Conduct train simulations and operational modeling
- 2.3.5 Develop design requirements for civil buildings and track work (includes embankments, depots, bridges, and structures). Prepare basic design and drawings based on topographical and geotechnical surveys. Prepare specification for EPC contracts and confirm with MTZ
- 2.3.6 Specify welding technology and technical requirements for rail bar
- 2.3.7 Develop a schematic general plan for power supply and develop design for power distribution system. TA will undertake the basic design of the power supply network and the Signaling & Communications systems from 11kV downwards.
- 2.3.8 Develop a schematic general plan for heating supply and heating network design.
- 2.3.9 Plan that all the facilities and buildings are connected to a centralized water supply system (water supply should not be supplied by trucks).

Three. Support in Engineering Procurement and Construction (“EPC”) contractor selection, including preparation of EPC tender documents, evaluation of proposals and conduct of workshops (if necessary), and support in EPC contract negotiations:

- 3.1 The TA will be responsible for preparing the EPC tender packages. This will include the basic tender documents (with support from other MTZ Advisors) and all supporting technical documents (e.g. location, basic drawings, and specifications). The EPC tender package is expected to be released within the agreed period. Additionally, the TA will verify compliance of EPC bids with FEED requirements, conduct technical assessment of bids, identify key negotiation areas, provide a comprehensive analysis of EPC bidders and bids and support the negotiation of the EPC contract.

3.2 EPC Tender Package Preparation and EPC Selection/Negotiation Support Sub-tasks include:

- 3.2.1 Compile tender package consistent with Mongolian regulations and International standards
- 3.2.2 Develop EPC contracting strategy, and align approach with MTZ aims
- 3.2.3 Support MTZ in tendering process (conduct workshop and answer queries)

- 3.2.4 Support MTZ in evaluation of EPC proposals, including creating matrices or other tools to evaluate proposals
- 3.2.5 Support MTZ in selection of winning bidders
- 3.2.6 Support MTZ in EPC contract negotiations
- 3.2.7 Develop health, welfare, and safety strategy for the Project
- 3.2.8 Develop project risk assessment and mitigation measures
- 3.2.9 Review and report project budgets and schedule versus actual costs, tasks, and claims
- 3.2.10 Rolling Stock contracts: tender preparation, issuance, evaluation, recommendations, and support contract award
- 3.2.11 Electrical and mechanical contracts: tender documentation preparation, tender organization, assess, and support contract award
- 3.2.12 Signaling and communications contracts: tender organization, assess, and support contract award.

The descriptions and responsibilities described in this proposal are not exhaustive and may include other works as deemed necessary. During its work, should have a dedicated team assigned to this project and be available to discuss its progress on a day-to-day basis with MTZ in order to avoid duplication of work and to ensure regular iteration and deliverables. The TA will report to the MTZ.

Four. Technical specifications

- | | | |
|-----|---|---|
| 4.1 | Annual throughput capacity | <ul style="list-style-type: none"> • 30 mln.tn for the 10th year of utilization, and further 50 million tons per year |
| 4.2 | Railway network and lengths | <p>Length estimate is 1400 km:</p> <ul style="list-style-type: none"> • Ukhaakhudag –Sainshand- 480 km • Sainshand – Baruun Urt – 350 km • Baruun Urt – Khuut – 140 km • Khuut - Choibalsan- 150 km • Khuut-Bichigt- 250 |
| 4.3 | Weather conditions | <ul style="list-style-type: none"> • Temperature: $\pm 42^{\circ}\text{C}$ degrees • Pressure: 600-640 mmHg |
| 4.4 | Dust level and wind speed along the rail track | <ul style="list-style-type: none"> • Wind speed: up to 43 meters/sec • Dust level: 64,8-100 mg/m³ |
| 4.5 | Railway crossing points, altitude (above sea-level, Baltic sea level) | <ul style="list-style-type: none"> • Tsogtsetsii – 1470 m, • Tsagaansuvarga – 840 m, • Sainshand – 980 m, • Baruun Urt – 980 m, |

| | | |
|------|--|---|
| 4.6 | General specifications of the rail | <ul style="list-style-type: none"> • Khuut –730 m, • Choibalsan – 772.8 m, • Tamsagbulag – 700 m, • Numrug – 775 m • Axle load: • According to Mongolian and International standard with calculation of future freight density of transportation, cost of railway construction and operation expenses, use international railway company's latest technology and trend. • Rail gauge: 1520mm • Ruling gradient: 6‰ • Horizontal curve radius: no less than 2000m /if needed radius can be reduced with MTZ approval/ • Embankment shall not be taller than 12m and cut shall not be deeper than 12m. If necessary, TA shall consult with MTZ and choose viaduct or eco-bridge as optimal solution. |
| 4.7 | Requirements for the below rail structure, longitudinal, cross section and plan design draft | <ul style="list-style-type: none"> • Shall adhere to the Mongolian and International standards by taking in account possibility of electrification. |
| 4.8 | Above rail structure | <ul style="list-style-type: none"> • According to Mongolian and International standards with no joint |
| 4.9 | Below rail structure (engineering structures such as formation, bridges) | <ul style="list-style-type: none"> • According to Mongolian and International standard with calculation of future freight density of transportation and train speed |
| 4.10 | Locomotive | <ul style="list-style-type: none"> • Qualified according to International tire2 standard and environmentally friendly diesel locomotive • Varies capacity in accordance with movement type |
| 4.11 | Wagon | <ul style="list-style-type: none"> • Passenger wagon should be environmentally friendly and should be comfortable for passengers. The freight wagon specification shall meet the calculated technical specifications, be in accordance with train weight, velocity and length. |
| 4.12 | Train control system | <ul style="list-style-type: none"> • Main rail control center location will be determined according to Mongolian related laws and orders • Advanced and economically effective efficient rail control and monitor system • Will be possible to connect to UBTZ railway control and monitoring system / recent and in future/. • Reserve fiber optic cable • Signaling, centralization, communication system shall meet requirements of CENELEC • Crossings should be calculated on two levels |
| 4.13 | New railway's crossing with auto road with country status | |
| 4.14 | Size /Clearance/ | <ul style="list-style-type: none"> • According to Mongolian Standard 5833:2007, this defines the distance limit of "Railway with 1520 mm gauge" to different constructions and calculated to create conditions for transportation |

-
- | | | |
|------|---|--|
| | | with double-decker container wagons and electric locomotives. |
| 4.15 | Technical and civil purpose structures, buildings | <ul style="list-style-type: none"> • According to Mongolian and International standards • Technical and civil purpose structures, buildings, apartments shall have its reserve resource |
| 4.16 | Power supply | <ul style="list-style-type: none"> • Minimum of two rail technology power generators • Reserve power generators and batteries at each station and junction |
| 4.17 | Water supply | <ul style="list-style-type: none"> • Water reserve and capacity of water transferring facilities will be determined by water survey. TA should have it done by a professional entity. • The capacity and reserve shall meet future demand • New innovation and technologies are preferred in order to avoid the maintenance costs |
| 4.18 | Other engineering structures (communication, sanitation facility, etc.) | <ul style="list-style-type: none"> • MNS 5276:2003 “communication cable installation” • MNS 6144:2010 “Elements of railway signaling” • Sanitation facility standards |
| 4.19 | Auto road along the railway during construction and operation | <ul style="list-style-type: none"> • According to Mongolian and International standards. |
| 4.20 | Railway Safety System | <ul style="list-style-type: none"> • A new safety system will be introduced in case of natural disasters |
| 4.21 | Environment protection | <ul style="list-style-type: none"> • Implement based on environmental impact studies. Measures included in detailed environmental assessment should be reflected in FEED and EPC tender documents. |

CONTRACT FOR CONSULTANTS' SERVICES

Lump-Sum Contract

between

“MONGOLIAN RAILWAYS” STATE-OWNED SHAREHOLDING COMPANY
[name of the Client]

and

[name of the Consultant]

Dated: 2013-02_____

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PREFACE

1. This Standard Contract for Consulting Services has been prepared for complex assignments for which payment for the services is being determined on the basis of a lump sum amount. Its use is mandatory under the circumstances described.
2. The Standard Contract consists of four parts: the Form of Contract, the General Conditions of Contract, the Special Conditions of Contract, and the Appendices. Parties using this Standard Contract for services should note that the General Conditions must not be modified. Clauses in the Special Conditions should be dealt with as specified in the notes in *italic* provided for the individual clauses.
3. Lump sum contracts are recommended mainly for assignments in which the content and the duration of the services and the required output of the consultants are clearly defined and the Consultant's commercial risk is low. The contract amount is set based on the prices submitted by the Consultant. The payments shall be made according to payment schedule based on completed work. The advantage of the lump sum contract is that the Client receives a completed work without participating in the operations of the Consultant. Lump sum contracts are widely used for: research reports, master planning, detailed design of standard or common structures, feasibility studies etc.

**FORM OF CONTRACT
(LUMP SUM CONTRACT)**

APPROVED.

ACCEPTED³.

| CLIENT | CONSULTANT | <i>[Authorized organization for financing, executive personnel]</i> |
|---------------|-------------------|---|
| _____ | _____ | _____ |
| (Signature) | (Signature) | (Signature) |
| _____ | _____ | _____ |
| (Position) | (Position) | (Position) |
| _____ | _____ | _____ |
| (Stamp) | (Stamp) | (Stamp) |

*[Title for Consulting Services] Contract
No. [Contract Number]*

City/Province Name

This CONTRACT (hereinafter called the “Contract”) is made the *[day]* day of the month of *[month]*, *[year]*, between, on the one hand, *[name of client]* (hereinafter called the “Client”) and, on the other hand, *[name of Consultant]* (hereinafter called the “Consultant”).

1. The Client has requested the Consultant to provide certain consulting services (hereinafter called the “Services”) as defined in this Contract and Appendix __, which is integral part of this Contract.
1. The Consultant, having represented to the Client that it has the required professional skills, and personnel and technical resources, has agreed to provide the Services on the terms and conditions set forth in this Contract;
2. By the Contract *[Agreement number]* (hereinafter called the “Work”) ***[Contract value]***, the Client accepts the Consultant’s bid. The total financing will cover contract value and work budget.
3. The following documents attached (hereinafter called the “Contract document”) hereto shall be deemed to form an integral part of this Contract:

The General Conditions of Contract;

The Special Conditions of Contract;

The following Appendices:

Appendix 1: Description of Services

Appendix 2: Reporting Requirements

Appendix 3: Personnel Schedule

Appendix 4: Cost Estimates in Foreign Currency

Appendix 5: Cost Estimates in Local Currency

Appendix 6: Obligations of the Client

Appendix 7: Form of Bank Guarantee for Advance Payments

[Note: ***Not relevant appendices for the Contract should be deleted from above list***]

³ If authorized organization for financing and client are the same legal entity, then it should be omitted.

This Contract for the Consulting Services shall be the final agreement between parties and all previous negotiations and correspondence pertaining to the same become null and void.

4. The Client and Consultant shall agree to terms, conditions, obligations set forth in the Contract.
5. Based on the payment conditions set forth in the Contract, the Consultant has a responsibility to perform the Services on the terms and conditions set forth in this Contract and to eliminate any violations and failures.
6. The Client shall make payments to the Consultant in accordance with the provisions of the Contract.
7. The communication between parties regarding the Contract shall be made in written form and via telephone.

ON BEHALF OF CLIENT:

[Position, Name]

*[Signature]*_____

STAMP

[Client's Address]

[Tel/Fax]

[Bank name and account number]

ON BEHALF OF CONSULTANT:

[Position, Name]

*[Signature]*_____

STAMP

[Client's Address]

[Tel/Fax]

[Bank name and account number]

II. GENERAL CONDITIONS OF CONTRACT

1. GENERAL PROVISIONS

- 1.1 Definitions of terms** The following terms used in this Contract have the following meanings:

- (a) “Applicable Law” that is specified in the Special Conditions of Contract (SC) is the Mongolian law and other legal acts, regulations that are in force.
- (b) “Consultant” is any private or public entity that will provide the Services to the Client under the Contract.
- (c) “Contract” is the signed contract form by the Parties and documents listed in the Clause 1, which are the General Conditions (GC), the Special Conditions (SC) and the Appendices.
- (d) “Day” is calendar day.
- (e) “Effective Date” is the date on which this Contract comes into force and effect pursuant to Clause GC 2.1 of GC.
- (f) “Contract price” is payment to the Consultant for its service according to the GC Clause 6.
- (g) “GC” is General conditions of the Contract.
- (h) “Member” is any one entity of joint venture/ consortium/ association, and “Members” presents all of the entities together.
- (i) “Party” is the Client or the Consultant, as the case may be, and “Parties” is both of them.
- (j) “Reimbursable expenses” is all assignment-related costs other than Consultant’s remuneration.
- (k) “SC” is Special conditions of the Contract.
- (l) “Services” is the work to be performed pursuant to this Contract, as described in Appendix 1 hereto.
- (m) “Sub-Consultant” is any person or entity to whom/which the Consultant subcontracts any part of the Services and for whom/which the Consultant is fully responsible.
- (n) “Personnel” is persons hired by the Consultant or Sub consultant and assigned to perform the Service or any part of it.

- | | |
|-----------------------------------|---|
| 1.2 Law Governing Contract | This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law specified in SC. |
| 1.3 Contract Language | This Contract shall be executed in the language that is specified in SCC and shall be used to resolve questions related to its meaning and interpretation. |
| 1.4 Notices | Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent to such Party at the address specified in the SC. |
| 1.5 Location | The Services shall be performed at such locations as are specified in Appendix 1 hereto and, where the location of a particular task is not so specified, at such locations, whether in the Client’s Country or elsewhere, as the Client may approve. |

- | | |
|---------------------------------------|--|
| 1.6 Authority of Lead Partner | In case the Consultant consists of a Joint Venture of more than one entity, the Partners hereby authorize the Lead Partner to act on their behalf in exercising all the Consultant's rights and obligations towards the Client under this Contract. |
| 1.7 Authorized Representatives | Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract by the Client or the Consultant may be taken or executed by the officials specified in the SCC. |
| 1.8 Taxes and Duties | The Consultant, Sub-Consultants and Personnel shall pay such taxes, duties, fees and other impositions as may be levied under the Applicable Law specified in SCC. |
| 1.9 Corruption and Fraud | <p>The entities, as well as, government officials, bidders, and contractors shall observe the highest code of ethics during the procurement and execution of such contract.</p> <p>The government officials and bidders shall inform substantial information to the law giver and related authorities if it is determined that the Bidder recommended for award has, directly or through other parties engaged in corrupt, fraudulent, or collusive or coercive practices in competing for the Contract in accordance with the clauses set forth in the Corruption law, Penal law, and Law on restriction of unfair competition.</p> |

2. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT

- | | |
|--|--|
| 2.1 Force of Contract | This Contract shall come into force and effect upon signing or on the date (the "Effective Date") specified in SCC. |
| 2.2 Commencement of Services | The Consultant shall begin carrying out the Services not later than the number of days after the Effective Date specified in the SCC. |
| 2.3 Expiration of Contract | Unless it is terminated pursuant to Clause 2.6 of GCC the Contract shall expire at the end of such time period after the Effective Date as specified in the SCC. |
| 2.4 Modifications or Amendments | Modification or amendments to the contract conditions, terms, and service scope shall be made only in writing and in the case both parties agreed and signed. |
| 2.5 Force Majeure | <p>2.5.1 Parties shall extend the contract by mutually agreeing in the event of "Force Majeure" such as war, riots, civil disorder, earthquake, fire, flood, plague or other adverse weather conditions which results delay in the Party's performance.</p> <p>2.5.2 If a Force Majeure situation arises, the Consultant shall promptly notify the Client in writing of such condition and the cause thereof. Unless otherwise directed by the Client in writing, the Consultant shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.</p> |
| 2.6 Termination of Contract | |
| 2.6.1 Termination by Client | The Client may terminate the Contract in the following cases. |

- (a) If the Consultant fails to remedy a failure in the performance of its obligations hereunder within thirty (30) days of receipt of such notice;
- (b) If the Consultant becomes (or member of joint venture) insolvent or bankrupt or enter into any agreements with their creditors for relief of debt or take advantage of any law for the benefit of debtors or go into liquidation or receivership whether compulsory or voluntary;
- (c) If there is evidence that Consultant is corrupted or fraudulent;
- (d) If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days.
- (e) If the Client, in its sole discretion and for any reason whatsoever, decides to terminate this Contract;
- (f) If consultant did not fulfill or comply with the decisions of arbitration in the event of a dispute.

2.6.2 Termination by Consultant

The Consultant may terminate this Contract in the following cases.

- (a) If the Client fails to pay any money due to the Consultant pursuant to this Contract and not subject to dispute pursuant to Clause 7 of GCC hereof within forty-five (45) days after receiving written notice from the Consultant that such payment is overdue.
- (b) If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days.
- (c) If the Client fails to comply with any final decision reached as a result of arbitration pursuant to Clause 7 of GCC hereof.
- (d) If the Client is in material breach of its obligations pursuant to this Contract and has not remedied within forty-five (45) days (or such longer period as the Consultant may have subsequently approved in writing) following the receipt by the Client of the Consultant's notice specifying such breach.

2.6.3 Payment upon Termination

Upon termination of this Contract pursuant to Clauses 2.6.1 or 2.6.2 hereof, the Client shall make the following payments to the Consultant:

- (a) remuneration pursuant to Clause 6 of GCC hereof for Services satisfactorily performed prior to the effective date of termination;
- (b) except in the case of termination pursuant to paragraphs (a), (c) and (f) of Clause 2.6.1 of GCC hereof, reimbursement of any reasonable cost incidental to the prompt and orderly termination of this Contract including the cost of the return travel of the Personnel and their eligible dependents;

3. OBLIGATIONS OF THE CONSULTANT

3.1 General

3.1.1 Quality of Performance

The Consultant shall perform the Services and carry out their obligations hereunder in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate technology and safe and effective equipment, machinery, materials and methods.

The Consultant shall always act, in respect of any matter relating to this Contract or to the Services, as faithful adviser to the Client, and shall at all times support and safeguard the Client's legitimate interests in any dealings with Sub-Consultants or third parties.

- 3.2 Conflict of Interest** Consultant shall put Clients interest first and shall avoid any other conflict of interest related to its own or other projects.
- 3.3 Confidentiality** Except with the prior written consent of the Client, neither the Consultant, the Sub-Consultant nor their Personnel shall at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the Consultant, the Sub-Consultant or their Personnel make public the recommendations formulated in the course of, or as a result of, the Services.
- 3.4 Portion of insurance that Consultant is responsible for** The Consultant shall take out and maintain at its own cost and expense but on terms and conditions approved by the Client, insurance against the risks, and for the coverage specified in the SCC, and shall provide evidence of the same to the Client such as thorough a copy of the insurance contract or certificate.
- 3.5 Consultant's Actions Requiring Client's Prior Approval** The Consultant shall obtain the Client's prior approval in writing before taking any of the following actions:
- (a) When subcontracting the Service or any part of it;
 - (b) Amendment to the list of work that is specified in Appendix 1;
 - (c) Any other action that may be specified in the SCC.
- 3.6 Reporting schedule** The Consultant shall submit to the Client the reports and documents specified in Appendix 2 hereto, in the form, in the numbers and within the time periods set forth in the said Appendix.
- 3.7 Documents Prepared by the Consultant to be the Property of the Client** All analysis, reports, drawings, graphics, software programs, other documents and materials prepared by the Consultant for the Client under this Contract shall become and remain the property of the Client, and the Consultant shall, not later than upon termination or expiration of this Contract, deliver all such documents to the Client, together with a detailed inventory thereof. Consultant can keep copy of such documents.

4. CONSULTANT'S PERSONNEL

- 4.1 Discription of Personnel** Consultants offered Personnel's information such as position, description of duty, professional capacity and involvement period shall be specified in Appendix 3. Also prior agreed key personnel information shall be specified in the Appendix.
- 4.2 Replacement of Personnel**
- (a) Without Client's approval there shall be no change in the Key Personnel. In the event such as retirement, death, medical condition that Consultant does not have any control over Consultant shall request of replacement with equally or more qualified Personnel without losing time.
 - (b) If personnel is found by the Client to be incompetent, guilty of misbehavior or incapable in discharging the assigned responsibilities, the Client may request the Consultant in written to forthwith provide a replacement with suitable qualifications and experience acceptable to the Client.

- (c) Consultant shall not require reimbursement related to the replacement of the personnel.

5. OBLIGATIONS OF THE CLIENT

- 5.1 Assistance and Permits** The Client shall use its best efforts to ensure that the Government shall provide support, and related permit specified in the SCC:
- 5.2 Change in the Applicable Law related to Taxes and Duties** If, after the date of this Contract, there is any change in the Applicable Law with respect to Mongolian taxes and duties which increases or decreases the cost incurred by the Consultant in performing the Services, then the remuneration and reimbursable expenses otherwise payable to the Consultant under this Contract shall be increased or decreased accordingly by agreement between the Parties hereto, and corresponding adjustments shall be within the ceiling amounts specified in Clause 6.2 (a) and (b) of GCC.
- 5.3 Services, Facilities and Equipment of the Client** The Client shall make available to the Consultant and the Personnel, for the purposes of the Services and free of any charge, the services, facilities and equipment described in Appendix 3.3 at the times and in the manner specified in said Appendix 3.3.

6. PAYMENTS TO THE CONSULTANT

- 6.1 Lump-Sum Remuneration** Payments to the Consultant under this Contract shall not exceed the ceilings in foreign currency and in local currency specified in the Appendix1. Except as provided in Clause GC 5.2 the contract price may only be increased above the amounts stated in Clause GC 6.2 if the parties have agreed to additional payments in accordance with Clause GC 2.4
- 6.2 Contract Cost**
- (a) An estimate of the cost of the Services payable in foreign currency is set forth in the SC.
 - (b) An estimate of the cost of the Services payable in tugriks is set forth in the SC
- 6.3 Payment for Additional Services** For the purposes of determining the remuneration due for additional services as may be granted under Clause GC 2.4, a breakdown of the lump-sum is provided in Appendices 4 and 5.
- 6.4 Terms of Payment and Payment Schedule** All payments under this Contract shall be made according to the schedule to the accounts of the Consultant specified in the SCC unless otherwise stated in the SCC, the first payment shall be made against the provision by the consultants of a guarantee for the same amount, and shall be valid for the period stated in the SCC. This guarantee should be delivered on the form stated in Appendix 7, or on a different form that has been authorized by the Client in writing.
- Any other payment shall be made after the conditions listed in the SC for such payment have been met and the consultants have submitted an invoice to the client specifying the amount due.

6.5 Interest on Delayed Payments

If the Client has delayed payments beyond fifteen (15) days after the payment date determined in accordance with Clause SCC 6.4, interest shall be paid to the Consultant for each day of delay at the rate stated in the SCC.

7. FAIRNESS AND GOOD FAITH**7.1 Good Faith**

The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

8. SETTLEMENT OF DISPUTES**8.1 General**

The Parties agree that the avoidance or early resolution of disputes is crucial for a smooth execution of the Contract and the success of the assignment. The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or the interpretation thereof.

8.2 Dispute Settlement

In case any dispute or difference arising out of this Contract or in connection therewith which cannot be amicably settled, either Party can submit a settlement in accordance with the provisions specified in the SC.

III. SPECIAL CONDITIONS OF CONTRACT

(Clauses in brackets { } are optional; all notes should be deleted in final text)

| Number of GCC Clause | Amendments of, and Supplements to, Clauses in the General Conditions of Contract |
|----------------------|--|
| {1.1(a)} | Applicable law is {Mongolian law and other related regulations and acts} |
| 1.3 | The Contract documents shall be executed in {language}. |
| 1.4 | <p>The addresses are:</p> <p>Client : “Mongoliin tomor zam” SOSC_____</p> <p>Attention : aaaaaaa_____</p> <p>Telephone: 976-11-336611_____</p> <p>Fax : 976-11-336644_____</p> <p>Attention : _____</p> <p>Telephone : _____</p> <p>Fax : _____</p> |
| 1.7 | <p>The Authorized Representatives are:</p> <p>For the Client:_____</p> <p>For the Consultant: _____</p> |
| 1.8 | Tax [Write information on taxes and fees that Consultant shall pay] |
| 2.2 | The time period shall be <i>[twelve - eighteen months]</i> . |
| 2.3 | The time period shall be <i>[twelve - eighteen months]</i> . |
| 3.4 | <p>Required insurance type and minimum insurance payment:</p> <ul style="list-style-type: none"> professional liability insurance, with a minimum coverage of <i>[insert amount and currency]</i>; |
| {3.5 (a)} | {The other actions are: <i>[insert actions]</i> } |
| 6.2(a) | The ceiling in foreign currency or currencies is: <i>[insert amount and currency for each currency]</i> |
| 6.2(b) | The ceiling in local currency is: <i>[insert amount and currency]</i> |
| 6.4 | <p>Accounts for payment:</p> <p>For foreign currency: [name of account and number]</p> <p>For local currency: [name of account and number]</p> <p>Payments shall be made by following schedule.</p> |

| | |
|------------|---|
| | <p>Note: (a) the following provision is applicable only for the purpose of analysis and sample as the payment schedule will be negotiated between Client and Consultant; (b) in the case local and foreign currency payments differ separate schedule shall be developed.</p> <ul style="list-style-type: none">• { 10% of the Contract Price shall be paid on the commencement date• X% shall be paid on every 2 month anniversary of the commencement date through the final date of the Contract } <p>Note: <i>This schedule shall be specific for each contract.</i></p> |
| 6.5 | The interest rate for late payments is: <i>[insert rate]</i> . |
| 8.2 | In the case of dispute, if parties cannot resolve amicably between the parties, the parties may, upon mutual agreement, submit the dispute to a mediator for non-binding mediation. If the dispute persists, the dispute shall be resolved through arbitration in accordance with the rules and procedures of UNICITRAL. |

APPENDIX

APPENDIX 1 – DESCRIPTION OF SERVICES

Note: This Appendix will include the final Terms of Reference worked out by the Client and the Consultant during technical negotiations, dates for completion of various tasks, place of performance for different tasks, specific tasks to be approved by Client, etc.

APPENDIX 2 - REPORTING REQUIREMENTS

Note: List format, frequency, and contents of reports; persons to receive them; dates of submission; etc.

APPENDIX 3 – KEY PERSONNEL SCHEDULE AND SUB-CONTRACTOR

Note: The following shall be included:

- C-1 Detailed description, required qualification and skill status and occupation /if possible last name, first name/of main foreign specialists to serve as consultant and detailed schedule by person/month.*
- C-2 Detailed description, required qualification and skill status and occupation /if possible last name, first name/of main specialists to complete work in foreign country and detailed schedule by person/month*
- C-3 List of authorized sub-contractors: detailed information as in above appendix related to main specialist of sub-contractor*
- C-4 Detailed information of domestic specialists, as mentioned above*

APPENDIX 4 – CONTRACT PRICE BREAKDOWN (BY FOREIGN CURRENCY)

Note: List of price composition reflected in cost breakdown indicated by foreign currency:

- 1. Monthly remuneration of Personnel (for main specialists and other supporting staff)*
- 2. Reimbursable costs*

This appendix is used only for determining cost for additional services.

**APPENDIX 5 – DETAILED COST ESTIMATES
(IN MNT)**

Note: Please include detailed breakdown of lump-sum costs (in MNT)

- 1. Monthly remuneration of Personnel (Full-time specialists and other personnel)*
- 2. Reimbursable costs*

This appendix is applicable for determining the fees for additional services

APPENDIX 6 – SERVICES TO BE PROVIDED BY THE CLIENT

Note: The following shall be included:

**APPENDIX 7 - FORM OF ADVANCE PAYMENT
GUARANTEE (BANK GUARANTEE)**

[Name of Client]

In accordance with the general condition clause 6.4 in the contract *[Name of the contract and summary of consulting services]* dated ___day___month___year, *[name of Consultant]* (herein after called “Consultant”) shall deposit with _____*[name of Client]* advance payment to guarantee his proper and faithful performance under the said clause of the contract in an amount of _____*[amount of guarantee]*_____ *[amount in words]*.

We, the _____*[Bank or financial institution]* (herein after called “Bank”), as instructed by the Consultant agree unconditionally and irrevocably to guarantee as primary obligator and not as surety merely, the payment to the Client on his first demand without whatsoever right of objection on our part and with out his first claim to the Consultant, in the amount not exceeding _____*[amount of guarantee, currency]* _____
[amount in words, currency]

We further agree that no change or addition to or other modification of the terms of the contract or of works to be performed there under or of any of the contract documents which may be made between the Client and the Consultant, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition, or modification.

No drawing may be made by you under this guarantee until we have received notice in writing from you that an advance payment of the amount listed above has been paid to the contractor pursuant to the contract.

This guarantee shall remain valid and in full effect from the date of the advance payment under the contract until the Client receives full repayment of the same amount from the contractor.

Yours sincerely,

Authorized Signature _____

Position, Name _____

Bank Seal

Date _____

Address: _____

