

In accordance with article 9 of the Concession Law (State gazette of the Republic of Serbia issue 55/03), and article 43 of Law on Government (State gazette of the Republic of Serbia issue 55/05 and 71/05),

Government of Serbia is passing

Decision

on granting the concession for construction, maintenance and usage of the facilities for acceptance, treatment and disposal of solid waste on the Vinča Landfill with the purpose of performing municipal services in those facilities

1)

The object of the concession is construction, maintenance and usage of the facilities for acceptance, treatment and disposal of solid waste on the Vinča Landfill with the purpose of performing municipal services in those facilities.

Vinča landfill covers area of the valley on Danube's slope which is situated in the middle part of the water system of Osljen stream in Grocka municipality.

The landfill is surrounded by agricultural land. It is spatially and orographically completely isolated from northern suburban residential areas Veliko Selo and Slanci and southern residential area Vinča. On the western side the landfill is connected to Belgrade-Smederevo road.

Current area of the landfill is 40 hectares. The area will be increased in line with *Regulation plan for the landfill on the right bank of Danube river - Vinča landfill* from year 2002, which anticipates expansion of existing landfill area to 130 hectares.

2)

Duration of the concession is 25 years

3)

Concession Vinča shall be granted on the basis of a prior public tender procedure. The tender shall be implemented by the tender committee formed by a minister in charge of state administration and local self-government. Tender committee shall be formed within 30 days from the date this decision has been passed.

The City of Belgrade shall publish the public tender announcement in the "State Gazette", in the daily journal "Politika" and in at least two international journals, within 60 days from the passing of this Decision.

Tender documentation will include all necessary elements and instructions purpose of which is preparation of the bids by the participants in the bidding process. Inclusion of the following in the tender documentation is mandatory: instruction on how to structure the bid and the bidding form; form for the announcement by the bidder that he accepts the bidding conditions stated in the public announcement; nature and scope of the construction works; deadline for the completion of construction; technical documentation; instructions on providing of quality guarantees and performing of control; stipulation on type of the financial guarantee that fulfills bidders' financial and other duties; type and content of the documents which shall be presented as a proof of meeting all conditions for the participation in the public tender; other elements relevant to the subject of concession.

Tender documentation will be delivered to all interested candidates simultaneously with the publication of the announcement of public tender. Tender documentation will include “Memorandum on tender procedure,” which will include, aside from rules for submission of the offer, other elements relevant to the tender procedure.

Interested candidates will be required to submit technical and financial offer.

Tender procedure will have two phases: phase I – evaluation of technical offers, and phase II – opening of financial offers of all the candidates whose technical offers met minimal technical requirements, followed by joint evaluation of technical and financial offers of qualified candidates.

All the candidates will be required to supplement their offers with bank guarantee for the tender procedure.

4)

The concession can be granted to domestic or foreign legal entity that meets following criteria:

- i. is registered with institution in charge for the activities in the waste management sector, in accordance with regulations valid in the country in which the bidder is headquartered;
- ii. is not subject to bankruptcy, liquidation or any other procedure that may endanger fulfillment of concession duties and exercising of concession rights;
- iii. possesses adequate solvency issued by foreign qualified specialized institution;
- iv. has settled all tax, insurance and other public duties in accordance with the rules valid in the country in which the bidder is headquartered;
- v. has been active in the waste management sector for a minimum of five years, at least two of those in successful direct operation of an EU or EPA Class II-compliant landfill with the capacity of at least 500 tons of waste per day (TPD);
- vi. has experience in the operation of the leachate and runoff collection and treatment systems, design of new landfills and successfully-applied closure plans for abandoned solid waste dump sites; and,
- vii. has minimum necessary financial experience in the development of a project plan for construction of new or already existing landfills.

Type and content of the documents that prove fulfillment of the requirements from the paragraph 1 of this article will be determined via tender documentation and public tender announcement.

5)

Criteria upon which the best offer is selected are:

- i. the technical capacity and experience of the bidder, which has to satisfy a predetermined minimum level;
- ii. technical solution – detailed industrial plan for the Vinča Landfill, which shall describe how the bidder intends to meet the service standards set forth in the bidding documents; and,
- iii. means of, and conditions for, providing of financial resources for the realization of the object of the concession.

In the event of bid evaluation, tender committee will evaluate technical and financial offer and select the best bidder based on the highest combined score assigned to financial and technical offers. The evaluation of the financial proposal will take into consideration the offer for the tipping fee per ton of waste disposed at the landfill.

6)

The concessionaire shall render the services in compliance and in accordance with regulations and standards of Republic of Serbia and European Union which regulate management of the waste, environmental protection, safety and health protection at work of those employed by the concessionaire. These responsibilities will be defined in detail in the Concession contract.

For the purpose of rendering concession services concessionaire shall found a concession company in the form of Joint Stock Company (Akcionarsko društvo) or Limited Liability Company (Društvo sa Ograničenom Odgovornošću), in accordance to the law that regulates legal status of the economic entities.

Concession company shall be founded within 60 days from signing of the Concession agreement, with headquarters in Republic of Serbia, unless the concessionaire already has a company registered for the services to be rendered. Concession company assumes all rights and responsibilities that concessionaire assumed via concession contract.

7)

Concessionaire shall provide Plan for renovation, final closure and recultivation of the existing landfill and Evaluation study on environmental effects of the expansion of Vinča landfill. Furthermore, Concessionaire is responsible for acquiring positive opinion/approval for the Plan from the institution in charge. Concessionaire provides: monitoring of, and implementation of measures for protection of, the environment, and special conditions anticipated by the Concession agreement.

Concessionaire shall assure implementation of measures for safety and health protection of the employees, in accordance with the acts which regulate general safety, safety at workplace of the employees and other forms of protection of life and health of employees. Concessionaire shall provide training for employees and will be responsible for safety at workplace and health safety, which includes providing of personal equipment for protection.

Rights and obligations regarding the implementation of measures for protection of the employees, as well as responsibilities for potential damages as a result of endangering of general safety shall be defined in the Concession agreement.

8)

In accordance with the conditions set forth in the tender documents, Concessionaire shall provide following performance guarantees:

1. Performance guarantee for the construction period that shall bear value equal to 10% of planned investment value for the construction period with the upper limit of 1 million euros.
2. Performance guarantee for the operation and maintenance period that shall bear value of 5% of planned investment value the for operations and maintenance period, with

the upper limit of 1 million euros. This guarantee will be progressively reduced to zero.

Performance guarantees from the paragraph 1 of this article must be issued by reputable international bank or international financial institution and must be approved by the Grantor.

Performance guarantees from the paragraph 1 of this article shall assure quality and efficiency of rendering of all services, within the agreed period of time, that the Concessionaire assumes responsibility for via Concession agreement.

The concessionaire shall maintain in full force and effect throughout the Concession contract following insurances: contractors pollution legal liability, all risks, third parties, professional responsibility, workers and property. Concessionaire will be required to provide other insurances specified in the concession contract.

9)

The concession fee for using goods and performing activities will be a token (symbolic) amount.

10)

The Grantor shall ensure that adequate land within the boundaries of the landfill site is made available to the concessionaire for the construction of new landfill cells in a timely manner and assist the concessionaire in obtaining necessary planning and building permits for construction of the facilities anticipated by the Concession contract.

The Concessionaire has the right to charge the fee for the fulfillment of the concession services from the Grantor and from other users of its services, in accordance with the law and other standards and regulations;

The concessionaire has an obligation to provide free of charge and open access to the Vinča Landfill and the facilities at the Grantor written request and to deliver to the Grantor reports in the way regulated by the concession contract.

11)

The total investment program is expected to be worth approximately 40 million Euros, spread over the duration of the Concession contract.

12)

This decision shall be published in “State Gazette of the republic of Serbia.”