


# SECTION C

## *Activities for disposal site management*

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## C Activities for disposal site management

### C.1 Landfill operation manual

<p><b>1. Current status of NEDS (1)</b></p> 	<p><b>2. Objective (1)</b></p> <p><u>Why do we need to introduce sanitary landfilling method?</u></p> <ol style="list-style-type: none"><li>1. Protection of Environmental Condition<ul style="list-style-type: none"><li>■ Mitigation of waste scattering</li><li>■ Reducing of Odor</li><li>■ Prevention of water contamination</li><li>■ Prevention of self-ignite</li></ul></li></ol>
<p><b>Landfill Operation Manual</b></p> <p>Naragiin Enger Disposal Site</p> <p>June 2010 JET</p>	<p><b>1. Current status of NEDS (2)</b></p> <ul style="list-style-type: none"><li>□ Landfill amount of Waste and Soil<ul style="list-style-type: none"><li>April 2009 – April 2010 (13 months)</li><li>Weight (Weight bridge data)<ul style="list-style-type: none"><li>□ Waste : 282,000 tones</li><li>□ Soil : 100,000 tones</li></ul></li><li>Volume (survey by JET)<ul style="list-style-type: none"><li>□ Waste + Soil : 327,500m<sup>3</sup></li><li>□ Density of landfill : 0.96 t/m<sup>3</sup> ⇒ Well compacted!</li></ul></li></ul></li></ul>

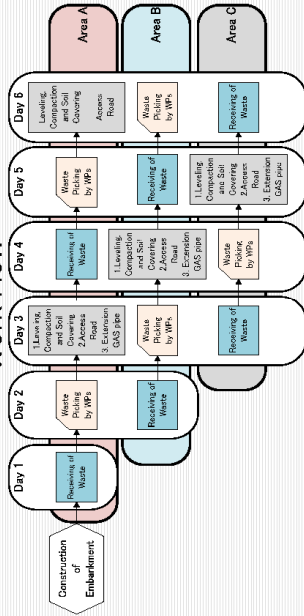
## 2. Objective (2)

### 2. For safety work

- Establishing routing work
  - Safely work together with WPs
- ### 3. Keep long life time for NEDS
- Appropriate compaction to received waste

## 3. Required activities (1)

### Work Flow



## 3. Required activities (2)

1. Construction of Embankment
  - Prior to receive the waste, embankment shall be construct at Administration side
    - ✓ Embankment height shall be minimum 3m
    - ⇒ Mitigation of waste scattering
2. Transporting of waste to designated area
  - Dumping up the waste with landfill supervisor instruction
    - ✓ Supervisor shall instruct the dumping location to driver according to daily landfill plan
    - ⇒ Mitigation of waste scattering, safety work

## 3. Required activities (3)

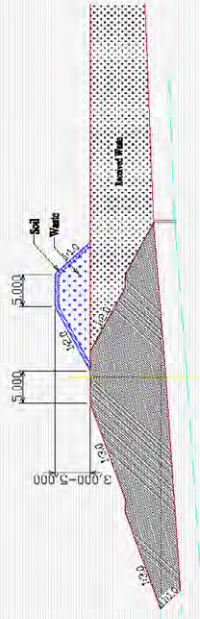
2. Waste picking
  - Just leave received waste for one (1) day for WPs to picking up the valuables
    - ⇒ Separation of working area (WPs and CMPUA), It is related with Safety working
3. To conduct Landfilling (laying and compaction etc) according to designed method
  - Leveling and compaction of received waste
    - ⇒ WPs are not working together, therefore leveling and compaction activity will be much efficiently conducted. It is introducing for saving of fuel consumption.

### 3. Required activities (4)

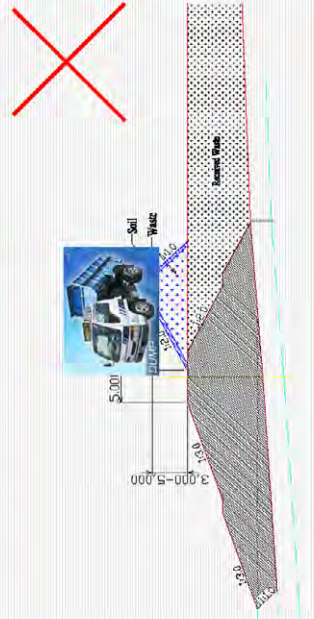
4. Soil covering
  - Covering of received waste by soil. It just lay thin layer of soil (about 10cm)  
 ⇒ Prevention of waste scattering, self-ignite and mitigation of odor generation
5. Prepare access road for transport vehicles
  - Preparing access road to receive next day waste, if necessary

### 4. Procedure of Landfilling (1)

- 1st Step: Preparation of Embankment  
 Construct of embankment Using received waste and soil



Do not dump waste from top of the embankment dam



### 4. Procedure of Landfilling (2)

#### 2nd Step: Receiving of Waste

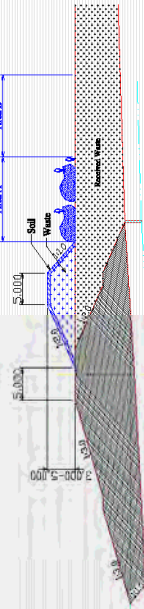
Waste Collection Truck shall go down to the landfill area and start to dispose. Do not dump from top of the Embankment



#### 4. Procedure of Landfilling (3)

##### 3<sup>rd</sup> Step: Waste Picking by WPs

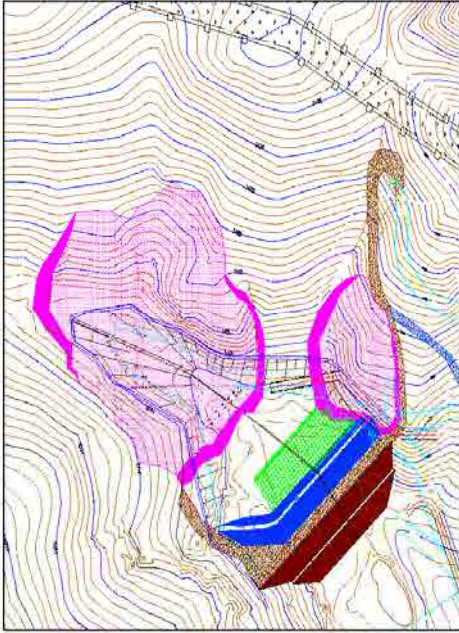
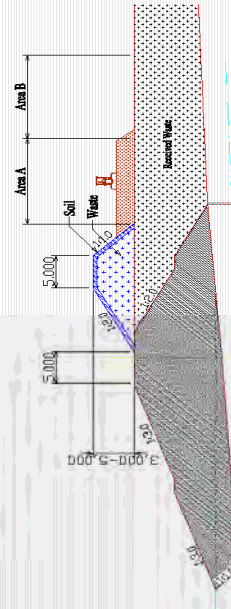
Waste picking by WPs, it allowed only the day permitted area  
 Everyday more then 250 units of truck are coming in. Approximately  
 220m<sup>2</sup> (30m x 70m) of area is required to receive daily waste.



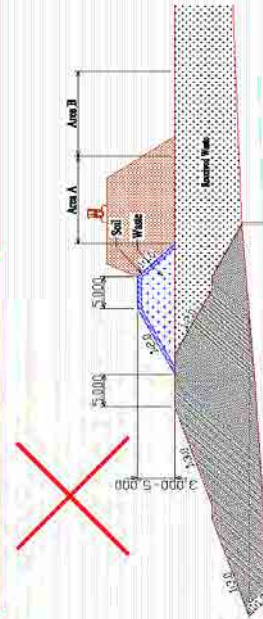
#### 4. Procedure of Landfilling (4)

##### 4<sup>th</sup> Step: Leveling and Compaction

Received waste shall be leveled and compacted horizontally



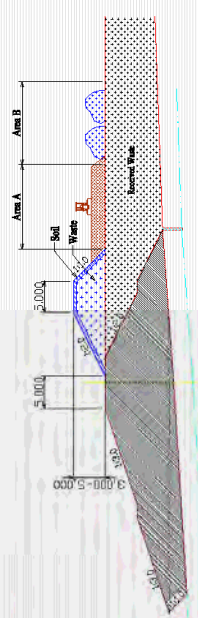
Waste shall not be filled over the  
 top of embankment dam



#### 4. Procedure of Landfilling (5)

##### 5<sup>th</sup> Step: Shift to next Area

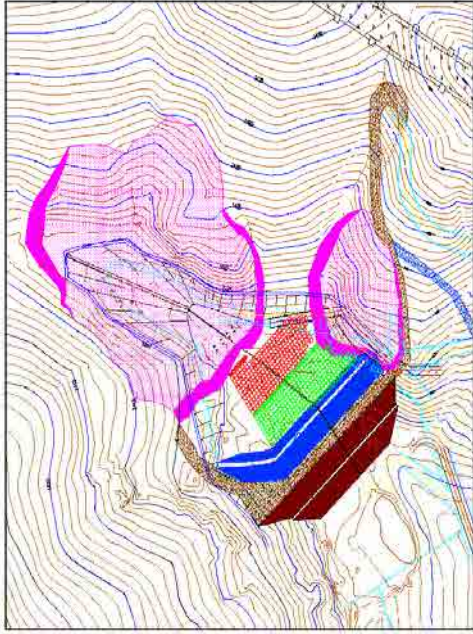
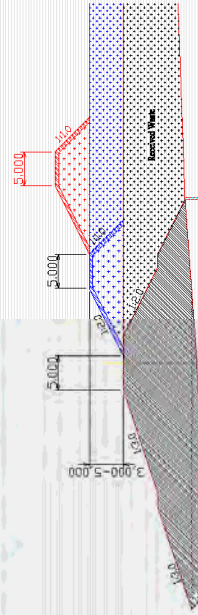
Shifting waste receiving area from Area A to Area B. Area shifting shall be continued until no more area to dispose and then back to starting area.



#### 4. Procedure of Landfilling (6)

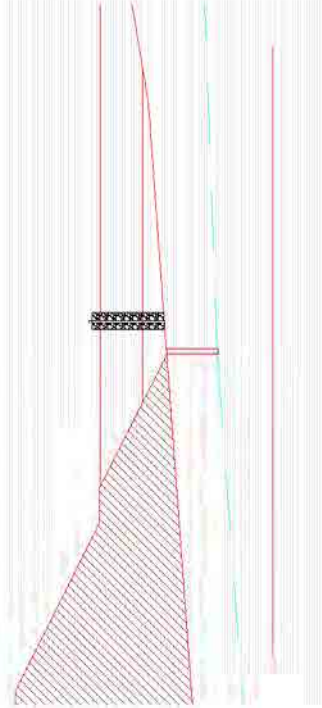
Waste shall be filled up to the level of embankment dam.

Continue previous steps up to the final level which is 45 m higher than the original ground level



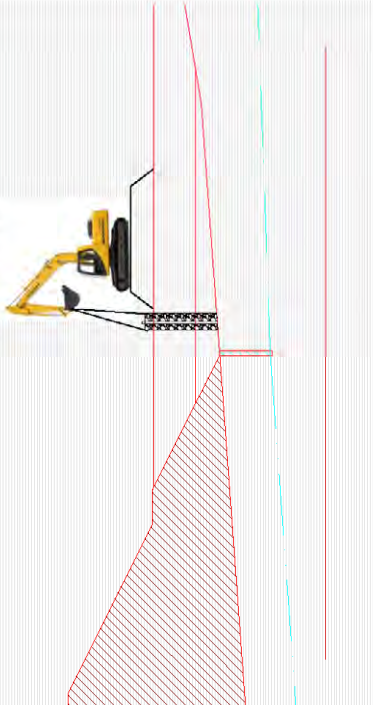
#### 5. Other activities (Extension of Gas Removal Pipe) (1)

Filling wastes up to **1m\*** below the top of steel pipe (**this length\*** shall be adjusted depend of the friction between steel pipe and wastes.



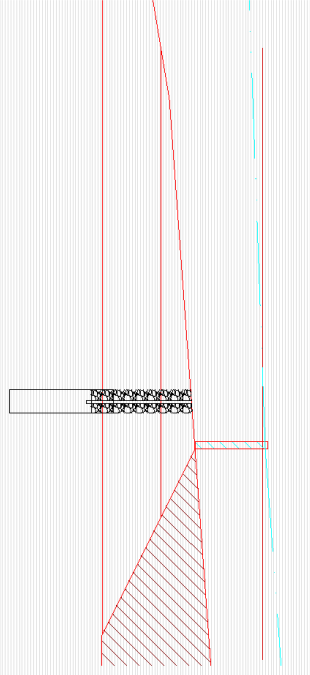
### 5. Other activities (Extension of Gas Removal Pipe) (2)

Setting excavator in order to extract embedded steel pipe.



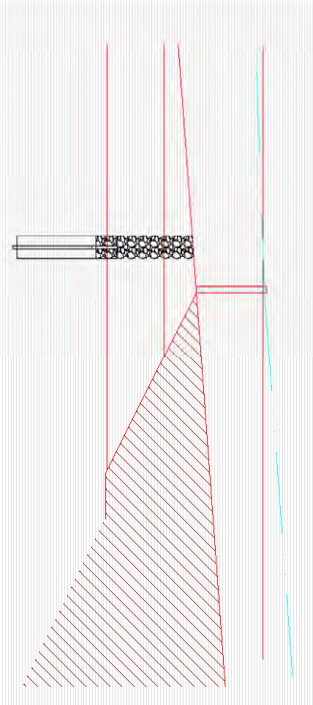
### 5. Other activities (Extension of Gas Removal Pipe) (3)

Extraction of External Steel Pipe by the Excavator and set at a stable level.



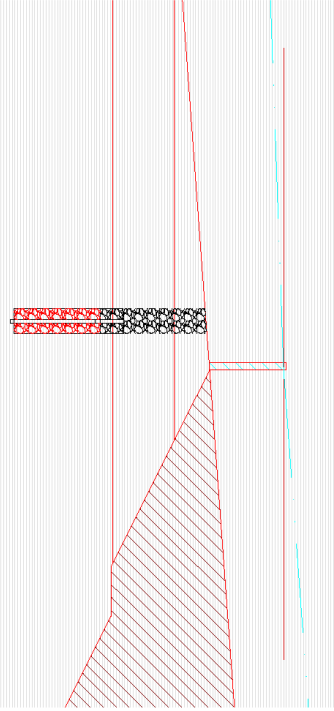
### 5. Other activities (Extension of Gas Removal Pipe) (4)

Extraction of Internal Pipe and vertical gravel layer remains as a function of gas removal



### 5. Other activities (Extension of Gas Removal Pipe) (5)

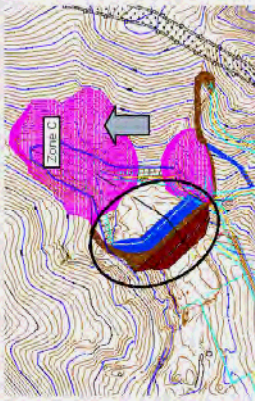
Filling Gravel inside uplifted Steel Pipe.



## 6. How to manage for sanitary landfilling from now (1)

- 1<sup>st</sup> action: Construction of embankment and preparing of access road to Zone C

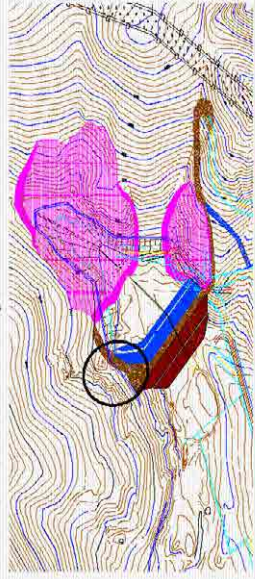
It is necessary to secure access road to Zone C for closing west side access road



## 6. How to manage for sanitary landfilling from now (2)

- 2<sup>nd</sup> action: Extension of lower embankment toward to north-east hill

It is necessary to close existing embankment to secure more landfill area. Everyday more than 200 units of waste truck are coming in.



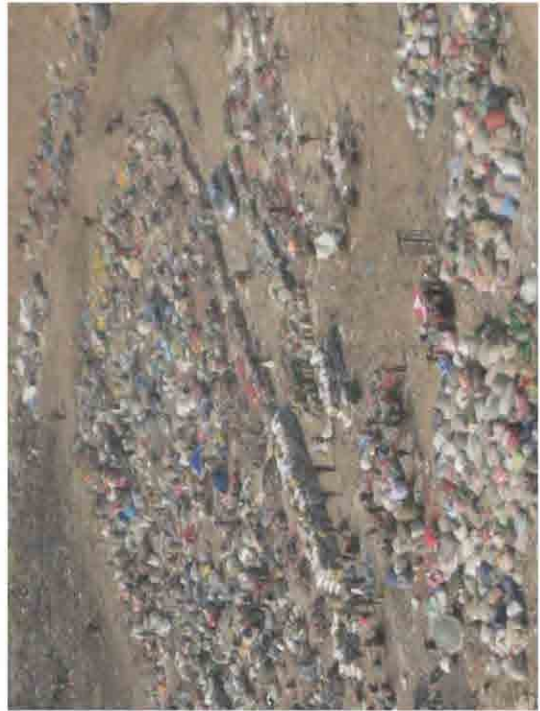
## 6. How to manage for sanitary landfilling from now (3)

Site is ready.  
Let's start proper sanitary landfilling.

Thank you very much.










## C.2 Manual for calculation of land filled volume at NEDS by handy GPS

### C.2.1 GPS User manual

#### a. Key functions

	<ol style="list-style-type: none"> <li>1. In/Out Zoom keys: Press to zoom the map in or out</li> <li>2. Quit/Page: Cycle through or quit the pages</li> <li>3. Power: (a) to turn on and off (long press), (b) to adjust contrast or backlighting (quick press and use Rocker key).</li> <li>4. Menu/Find: (a) to view Options Menu (quick press), (b) to view Find Menu (long press)</li> <li>5. Rocker: (a) Move through lists, (b) move map panning arrow, (c) select and enter fields or icons (quick press), mark waypoints (long press)</li> </ol>
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#### b. Working with waypoints

##### b.1 Marking waypoints

Two methods can be used when marking waypoints:

###### b.1.1 Marking waypoint from Main Menu

1. Press Quit/Page entering Main Menu.
2. Select Mark icon using Rocker key. Press Rocker key to enter Mark Waypoint page.
3. Press OK (If necessary, record a name using Rocker key before pressing OK).

###### b.1.2 Marking waypoint using Rocker key

Press and hold Rocker key on any page to enter Mark Waypoint page.

##### b.2 Editing and deleting marked waypoint

###### b.2.1 Editing waypoint

1. Enter Find page form Main Menu (or press and hold Menu/Find button).
2. Select Waypoints.
3. Navigate and press Rocker key to select the waypoint to be edited.
4. Edit information in editable fields using Rocker key and press OK.
5. Press Quit/Page quitting.

###### b.2.2 Deleting waypoint

1. Enter waypoints list from Find page.
2. Select the waypoint to be deleted and press Delete using Rocker key.

**b.3 Searching for marked waypoints**

**b.3.1 Searching nearest waypoints**

1. Enter waypoints list from Find page.
2. Press Menu/Find key to show Options Menu and select Nearest. Select waypoint from the list shown.

**b.3.2 Searching by name**

1. From Find page enter the Waypoints list.
2. Press and release Menu/Find key and select find by Name from the Options Menu.
3. Input the name of the waypoint and press OK.
4. Select the waypoint from the list.

**c. Working with tracks**

**c.1 Activating track log and creating tracks**

1. From Main Menu, select Tracks icon.
2. Activate the checkbox “On” using Rocker key in order to activate track log.
3. Press Quit/Page quitting or cycling through pages.
4. Hold the GPS unit and change location. The GPS unit will track the route automatically.

**c.2 Saving tracks**

1. From Main Menu, select Tracks icon.
2. From the window appeared, select save using Rocker key.

**c.3 Deleting tracks**

1. From Main Menu, select Tracks icon.
2. From the Saved Tracks field in the page, select the track to be deleted and press Rocket key.
3. Select Delete and press Rocket key.

**c.4 Items to consider when saving multiple tracks at a time**

Each track should be saved at the end of the route in order not to combine the data with those of other tracks.

**d. Transferring data from GPS to PC**

In order to transfer GPS data, the software “MapSource” should have been installed in the PC in advance. Initiate “MapSource” and connect GPS to the PC using the USB cable. From “MapSource”, enter Transfer menu and select Receive from Device. Check the type of data to transfer and press Receive button.

In order to view the data in Google Earth, select View on Google Earth from the View menu of “MapSource”.

## **C.2.2 Manual for calculation of landfill volume at NEDS**

### **a. Objective**

This manual is to identify the estimated land filled volume using handy GPS. The GPS shows figures are just indicated figures only, there are some tolerances (errors), and it would normally 3-10m in location wise and 5-10m in high wise.

The calculated figures are indicative figures only. If the correct figures are required the survey shall be conducted.

### **b. Required equipment and tools**

Required equipment and tools are shown as below.

- ✓ Handy GPS
- ✓ Microsoft Excel
- ✓ Map source
- ✓ Computer
- ✓ Printer
- ✓ Internet connection
- ✓ Google map application

### **c. Output**

There are two outputs.

- ✓ Land filled volume
- ✓ Land filled area

**c.1.1 Land filled volume**

**Calculated level difference**

	A	B	C	D	E	F	G	H	I	J	
24											24
23											23
22			0	0	0						22
21			0	0	0	0	0				21
20			0	0	0	0	0				20
19			0	0	0	0	0				19
18			0	0	0	0	0	0			18
17		0	0	0	0	0	0	0	0		17
16		0	0	0	0	0	0	0	0	0	16
15		0	0	0	0	0	0	0	0	0	15
14		0	0	0	0	0	0	0	0	0	14
13		0	0	0	0	0	0	0	0	0	13
12		0	0	0	0	0	0	0	0	0	12
11		0	0	0	0	0	0	0	0	0	11
10	0	0	0	0	0	0	0	0	0	0	10
9	0	0	0	0	0	0	0	0	0	0	9
8	0	0	0	0	11	5	0	0	0	0	8
7	0	0	0	6	17	6	0	0	0	0	7
6	0	0	5	9	13	5	0	0	0	0	6
5	0	-8	4	12	0	-4	0	0	0	0	5
4		4	6	9	-4	0	0	0	0	0	4
3		0	10	16	9	0	0	0			3
2											2
1											1
	A	B	C	D	E	F	G	H	I	J	

Difference	0	-4	25	52	46	12	0	0	0	0	0
Total Difference	131										
Total Filling Volume	327,500 m3										

**c.1.2 Land filled area**



**d. Method**

**d.1 Calculation for Land filled volume**

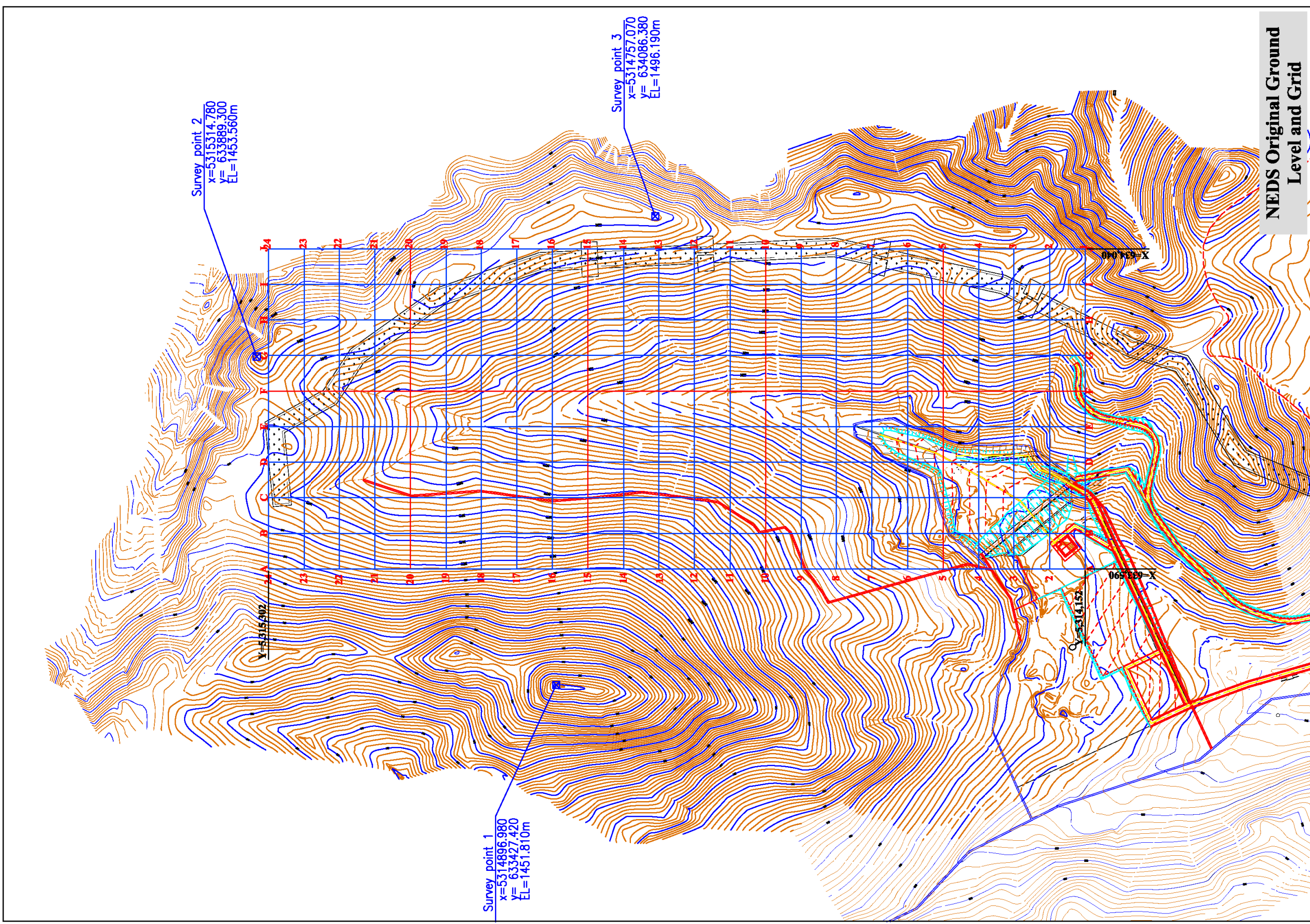
Land filled volume calculation shall be adopts grid method. The method is using following formula;

$$\text{Volume} = (\text{Current ground level} - \text{Original ground level}) \times \text{area (50m x 50m)}$$

**d.1.1 Original ground level**

- Fix of Grid

At first the grid interval shall be fixed. The calculated volume would be indicated figures therefore grid shall be fixed 50m by 50m. In case more corrected figures required, grid distance shall be shortened. The grid shall be covered whole landfill area. The fixed grid is shown as below.





**d.1.2 Finding out original ground level on each grid**

Overlapping original ground contour map of NEDS and Grid map, finding out original ground level and key in the excel file.

**Original Ground Level of NEDS**

	A	B	C	D	E	F	G	H	I	J	
24											24
23											23
22			1,442	1,442	1,444						22
21			1,438	1,436	1,438	1,436	1,444				21
20			1,437	1,432	1,432	1,435	1,441				20
19			1,437	1,432	1,429	1,434	1,439				19
18			1,437	1,432	1,425	1,430	1,436	1,443			18
17		1,444	1,437	1,430	1,423	1,427	1,433	1,440	1,445		17
16		1,444	1,436	1,429	1,423	1,424	1,430	1,436	1,442		16
15		1,445	1,436	1,429	1,422	1,421	1,426	1,433	1,440		15
14		1,446	1,436	1,428	1,420	1,418	1,426	1,431	1,439		14
13		1,444	1,436	1,427	1,419	1,416	1,423	1,429	1,437		13
12		1,441	1,435	1,426	1,418	1,413	1,421	1,429	1,436		12
11		1,436	1,430	1,423	1,415	1,411	1,419	1,427	1,435		11
10	1,434	1,432	1,426	1,420	1,412	1,411	1,419	1,427	1,436		10
9	1,428	1,426	1,422	1,416	1,409	1,411	1,421	1,429	1,437		9
8	1,423	1,421	1,421	1,413	1,406	1,412	1,421	1,429	1,437		8
7	1,417	1,414	1,413	1,409	1,399	1,413	1,421	1,428	1,434		7
6	1,415	1,408	1,409	1,403	1,400	1,411	1,419	1,427	1,432		6
5	1,411	1,408	1,398	1,396	1,410	1,416	1,422	1,431	1,436		5
4		1,394	1,394	1,395	1,408	1,418	1,421	1,435	1,440		4
3		1,397	1,392	1,394	1,403	1,417	1,426	1,435			3
2											2
1											1

**d.1.3 Measurement of current ground level**

- Setting up Grid
  - (a) Turn on the switch of GPS
  - (b) Select main menu
  - (c) Go to Mark menu
  - (d) Key in Grid number (example “A1”) and Location (example “633590, 5314152”). And press “OK” to save data.
  - (e) Continue to save all of the grid data
- Setting up GPS
  - (a) Go out from NEDS site office and then turn on the switch of GPS.
  - (b) Wait for while until GPS accuracy become 3 or 4m.
  - (c) Take current level at entrance of NEDS site office entrance which showing on GPS
  - (d) Compare (current ground level -1m) and actual level (1,384m)

- (e) The difference the above shall be take recorded
- Taking current ground level
  - (a) Go to “Main Menu”
  - (b) Select “Find”
  - (c) Select “Waypoints”
  - (d) Key in Grid number (example “A1”)
  - (e) Press “Go To”
  - (f) Select “Off Road”
  - (g) Follow instruction by the GPS
  - (h) When reach to the Grid point, go to “Main Menu” and select “Mark” to save current ground level.
  - (i) Go back to “Main Menu” and repeat (b) to (g) until end of recording

**d.1.4 Calculate land filled volume**

To calculate land filled volume, key in the taken recorded to excel sheet.

**Current Ground Level** Date: 2010/5/13

	A	B	C	D	E	F	G	H	I	J	
24											24
23											23
22			1,442	1,442	1,444						22
21			1,438	1,436	1,438	1,436	1,444				21
20			1,437	1,432	1,432	1,435	1,441				20
19			1,437	1,432	1,429	1,434	1,439				19
18			1,437	1,432	1,425	1,430	1,436	1,443			18
17		1,444	1,437	1,430	1,423	1,427	1,433	1,440	1,445		17
16		1,444	1,436	1,429	1,423	1,424	1,430	1,436	1,442		16
15		1,445	1,436	1,429	1,422	1,421	1,426	1,433	1,440		15
14		1,446	1,436	1,428	1,420	1,418	1,426	1,431	1,439		14
13		1,444	1,436	1,427	1,419	1,416	1,423	1,429	1,437		13
12		1,441	1,435	1,426	1,418	1,413	1,421	1,429	1,436		12
11		1,436	1,430	1,423	1,415	1,411	1,419	1,427	1,435		11
10	1,434	1,432	1,426	1,420	1,412	1,411	1,419	1,427	1,436		10
9	1,428	1,426	1,422	1,416	1,409	1,411	1,421	1,429	1,437		9
8	1,423	1,421	1,421	1,413	1,417	1,417	1,421	1,429	1,437		8
7	1,417	1,414	1,413	1,415	1,416	1,419	1,421	1,428	1,434		7
6	1,415	1,408	1,414	1,412	1,413	1,416	1,419	1,427	1,432		6
5	1,411	1,400	1,402	1,408	1,410	1,412	1,422	1,431	1,436		5
4		1,398	1,400	1,404	1,404	1,418	1,421	1,435	1,440		4
3		1,397	1,402	1,410	1,412	1,417	1,426	1,435			3
2											2
1											1

Key in the recorded figure, if the key in the figures are different with original ground level, the cell will be highlighted.

The land filled volume shall be calculated automatically.

**Calculated level difference**

	A	B	C	D	E	F	G	H	I	J	
24											24
23											23
22			0	0	0						22
21			0	0	0	0	0				21
20			0	0	0	0	0				20
19			0	0	0	0	0				19
18			0	0	0	0	0	0			18
17		0	0	0	0	0	0	0	0		17
16		0	0	0	0	0	0	0	0		16
15		0	0	0	0	0	0	0	0		15
14		0	0	0	0	0	0	0	0		14
13		0	0	0	0	0	0	0	0		13
12		0	0	0	0	0	0	0	0		12
11		0	0	0	0	0	0	0	0		11
10	0	0	0	0	0	0	0	0	0		10
9	0	0	0	0	0	0	0	0	0		9
8	0	0	0	0	11	5	0	0	0		8
7	0	0	0	6	17	6	0	0	0		7
6	0	0	5	9	13	5	0	0	0		6
5	0	-8	4	12	0	-4	0	0	0		5
4		4	6	9	-4	0	0	0	0		4
3		0	10	16	9	0	0	0			3
2											2
1											1
	A	B	C	D	E	F	G	H	I	J	

Difference	0	-4	25	52	46	12	0	0	0	0
Total Difference	131									
Total Filling Volume	327,500 m3									

**e. Drawing for Land filled area**

**e.1 Record two edge line (Top and Bottom)**

Making land filled area drawing, it need top of filled line and bottom of filled line. Using GPS “Track” command to record the both of edge line.

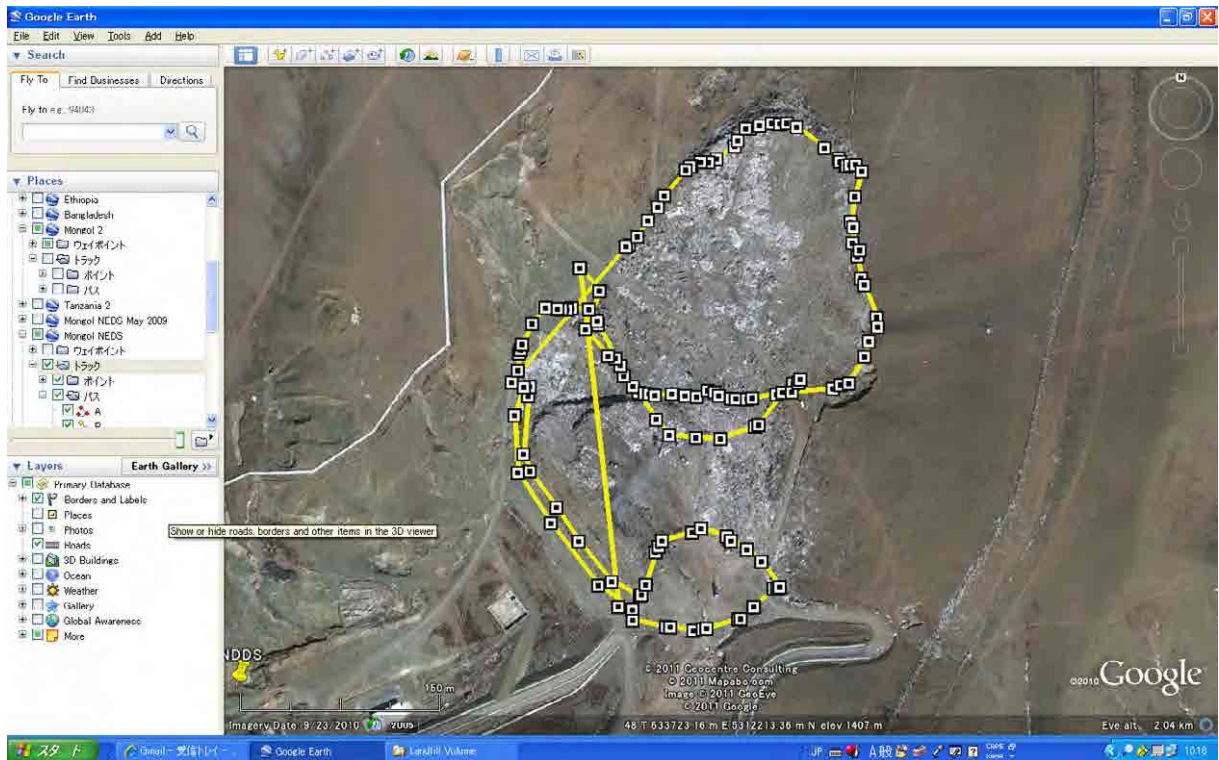
- (a) Go to “Main Menu”
- (b) Select “Tracks”
- (c) Select “Off”
- (d) Press “Clear” and “Yes”
- (e) Confirm “0%”, if it still “\*\*%” repeat (b) to (d)
- (f) Go to anywhere of Top of land filled point
- (g) Select “Tracks”
- (h) Select “On”

- (i) Walk along the edge of top of land filled point (clock or un clockwise whatever) until starting point
- (j) Press “Save”
- (k) Key in any name
- (l) Confirm the saved name in saved tracks
- (m) Select “Off”
- (n) Press “Clear”
- (o) Confirm “track log 0%”
- (p) Go to anywhere of Bottom edge of land filled point
- (q) Repeat (g) to (l)

**e.2 Loading track log to computer**



- (a) Launch “Map source” program
- (b) Connect GPS to the computer by USB cable
- (c) Select “receiving from device”
- (d) Pop up message will appear and select all of data
- (e) Recorded Track log will appear automatically
- (f) Select “Display”
- (g) Select “display on Google Earth”
- (h) Recorded track log will appear on the Google Earth
- (i) Save the data into Google Earth with some name “recommended with date”
- (j) Press “Print screen”
- (k) Launch “Microsoft word” or “Microsoft Excel” whatever you preferred.
- (l) Press “paste”

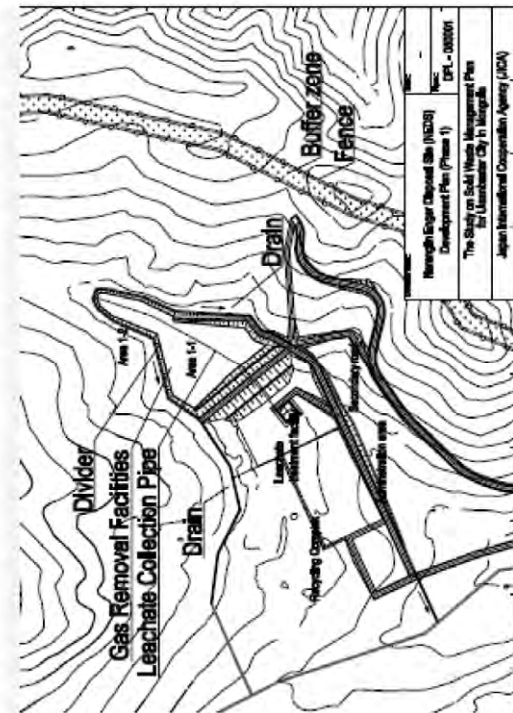
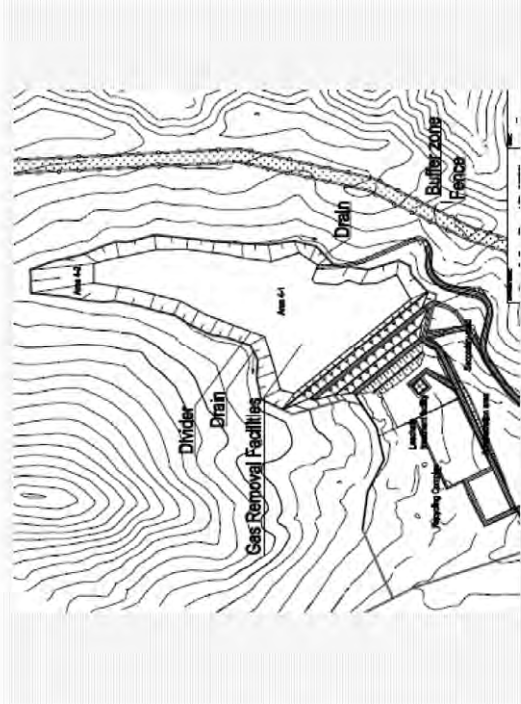
The sample map is shown as below.



**C.3 Environmental monitoring committee for landfill site**

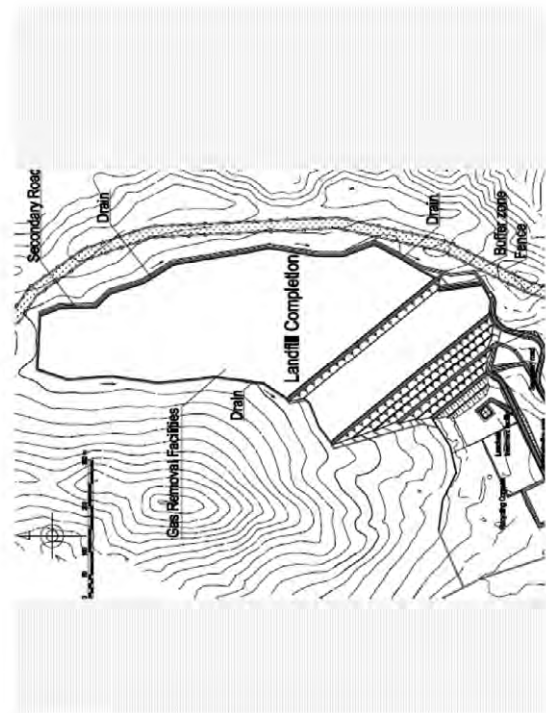
**C.3.1 2010.11.09**

<p style="text-align: center;"><b>Environment and Operation Monitoring of the Final Disposal Sites of Ulaanbaatar City</b></p> <p style="text-align: center;">9 November 2010 NEDS</p>		<p style="text-align: center;"><b>Schedule</b></p> <table border="1"> <thead> <tr> <th>Time</th> <th>Group 1</th> <th>Group 2</th> <th>Person in charge</th> <th>Item</th> </tr> </thead> <tbody> <tr> <td>9:00</td> <td>1<sup>st</sup> Floor MUB</td> <td></td> <td>Mr. Odjargal</td> <td>Transportation Arrangement</td> </tr> <tr> <td>9:30</td> <td></td> <td>SKhD Gov. t Office</td> <td></td> <td></td> </tr> <tr> <td>10:00</td> <td>MDDS</td> <td></td> <td>CMPIUA</td> <td>Field Investigation</td> </tr> <tr> <td>11:00</td> <td>NEDS WP Room</td> <td></td> <td>Mr. Odjargal</td> <td>Explanation of Monitoring Criteria</td> </tr> <tr> <td>11:30</td> <td>Filed Investigation</td> <td></td> <td>CMPIUA</td> <td>Field Monitoring</td> </tr> <tr> <td>12:00</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>12:00</td> <td>NEDS WP Room</td> <td></td> <td>Mr. Odjargal</td> <td>Presentation of Monitoring Results and Closing</td> </tr> <tr> <td>13:00</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Time	Group 1	Group 2	Person in charge	Item	9:00	1 <sup>st</sup> Floor MUB		Mr. Odjargal	Transportation Arrangement	9:30		SKhD Gov. t Office			10:00	MDDS		CMPIUA	Field Investigation	11:00	NEDS WP Room		Mr. Odjargal	Explanation of Monitoring Criteria	11:30	Filed Investigation		CMPIUA	Field Monitoring	12:00					12:00	NEDS WP Room		Mr. Odjargal	Presentation of Monitoring Results and Closing	13:00					
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**d. Monitoring NEDS Landfill Operation**

- Monitoring Guideline was approved by EPWMD on 20<sup>th</sup> Oct 2010
- Monitoring will be conducted regularly on Oct and Jun. twice a year.
- First Monitoring was planned to be conducted on 27<sup>th</sup> October 2010 but due to CMPUA strike, it will be organized today on 9<sup>th</sup> November 2010.



## Member of Monitoring Team

Name	Organization
Ts. Munkhbat	Department, Ministry of Nature, Environment and Tourism
B. Buyanbat	Governor's Office of Ulaanbaatar City
M. Badamkhand	City Specialized Inspection Agency
B. Batdorj	Officer, PSD, SKhD Government
Sharavdorj	Head, Mongolian Ecologists Union
B. Myagmardorj	Officer on Environment Pollution, World Vision
Munkhtsetseg	Head, Tolgoit NGO
M. Tserendulam	Governor, Khoroo No3, SKhD
B. Ganbaatar	Governor, Khoroo No4, SKhD
Z. Narantsatsrait	Principal, School No 65, SKhD
B. Oyuntsetseg	Principal, Kindergarten No 80, SKhD
D. Yavuukhuu	Resident, Khoroo No3, SKhD
N. Dolgor	Resident, Khoroo No4, SKhD

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## Check Item

- Category A: Environment effect and operational conditions**
- Category B: Function of facilities**

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## How to evaluate (1) Environmental Conditions

No.	Items	Choices	Assessment Guideline
A1	Fire & Smoke	Acceptable Medium Terrible	There is only spot fire and smoke
A2	Offensive odor	Acceptable Medium Terrible	Most of landfill surface is covered with smoke due to fire
A3	Leachate	Acceptable Medium Terrible	
A4	Waste scattering	Acceptable Medium Terrible	A small amount of waste is scattered at the entrance area, on the access road, and in the surrounding part of the disposal site A lot of waste is scattered at the entrance area and on the access road, but it is still possible for vehicles to reach to the land fill area
A5	Animals (dogs, birds, etc.)	Acceptable Medium Terrible	There are too much volume of waste on the access road for vehicles to reach to the surrounding area There are few animals
A6	Vermin (flies, worms, etc.)	Acceptable Medium Terrible	There are a lot of animals There are few vermins
A7	View	Acceptable Medium Terrible	There is a lot of vermins Generally clean as a landfill site Very dirty in spite of landfill site

## How to evaluate (2) Operational Conditions

No.	Items	Choices	Assessment Guideline
A8	Whole operation	Well controlled or operated Medium Terrible	Machinery movement is well controlled by the controller
A9	Working situations of waste pickers	Well controlled or operated Medium Terrible	No control at all Safely working
A10	collection vehicles	Well controlled or operated Medium Terrible	Dangerous working condition Condition of collection vehicles are good
A11	Bulldozer and other landfill operation heavy vehicles	Well controlled or operated Medium Terrible	Smoke, noise and rough operation are observed Wastes are leveled by the bulldozer
A12	Location of unloading waste	Well controlled or operated Medium Terrible Medium Terrible	There is a lot of unloaded wastes without leveling Collection vehicles are unloading wastes at designated place Collection vehicles are disposing wastes as they like



### How to evaluate (3) Function of facilities

No	Items	Choices	Assessment Guideline
B1	Access road	Functioning Medium Not functioning	Smooth surface and well maintained Many holes and no maintenance
B2	Weighbridge (measurement facilities and computer system)	Functioning Medium Not functioning	Weighting data is recorded everyday Frequent breakdown
B3	On-site road	Functioning Medium Not functioning	Smooth surface and well maintained Many holes and no maintenance
B4	Embankment Dam	Functioning Medium Not functioning	Front surface of embankment dam is shaped and covered with soil Slope is not shaped and wastes are exposed
B5	Gas removal facilities	Functioning Medium Not functioning	Gas removal pipe is extended according to the landfilling Gas removal pipe is vained with wastes and not functioning
B6	Security facilities Fence (fixed type), Gate, Bank	Functioning Medium Not functioning	There is no damage and well maintained Fence is damaged and no replacement
B7	Leachate treatment facilities	Functioning Medium Not functioning	Well maintained No maintenance
B8	Drainage systems	Functioning Medium Not functioning	Drainage is provided for heavy rain No drainage is provided

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### Environmental Effect

No	Items	Acceptable	Medium	Terrible	Score	Note
A1	Fire & Smoke	3	2	1		
A2	Offensive odor	3	2	1		
A3	Wastewater	3	2	1		
A4	Waste scattering	3	2	1		
A5	Animals (dogs, birds, etc)	3	2	1		
A6	Vermin (flies, worms, etc)	3	2	1		
A7	View	3	2	1		

### Operation Condition

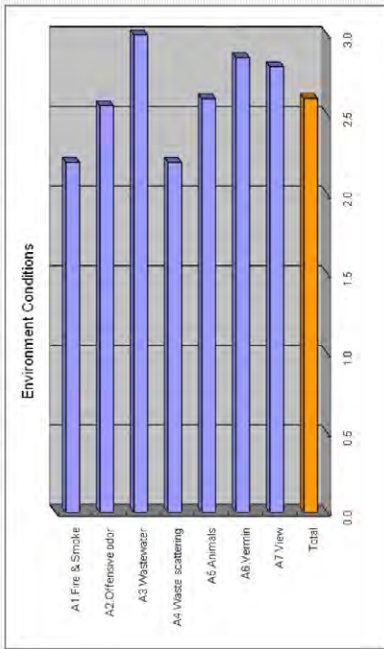
No	Items	Well controlled or operated	Medium	Terrible	Score	Note
A8	Whole operation	3	2	1		
A9	Working situations of waste pickers	3	2	1		
A10	collection vehicles	3	2	1		
A11	Buildozer and other landfill operation heavy vehicles	3	2	1		
A12	Location of unloading waste	3	2	1		
Total of Category A						15

### Function of Facilities

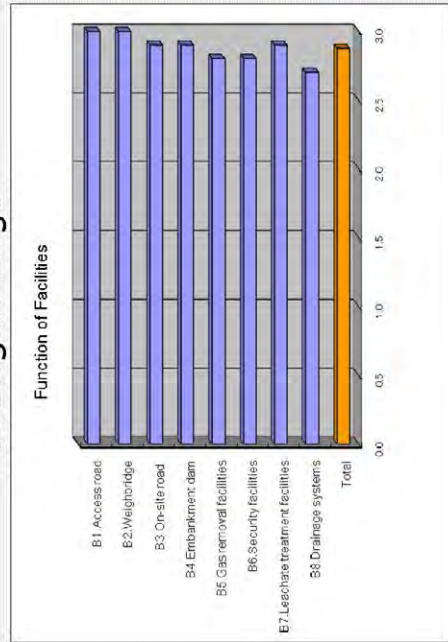
No	Items	Functioning	Medium	Not-functioning	Score	Note
B1	Access road	3	2	1		
B2	Weighbridge (measurement facilities and computer system)	3	2	1		
B3	On-site road	3	2	1		
B4	Embankment dam	3	2	1		
B5	Gas removal facilities	3	2	1		
B6	Security facilities Fence (fixed type), Gate, Bank	3	2	1		
B7	Leachate treatment facilities	3	2	1		
B8	Drainage systems	3	2	1		
Total of Category B						

16

### Narangiin Enger

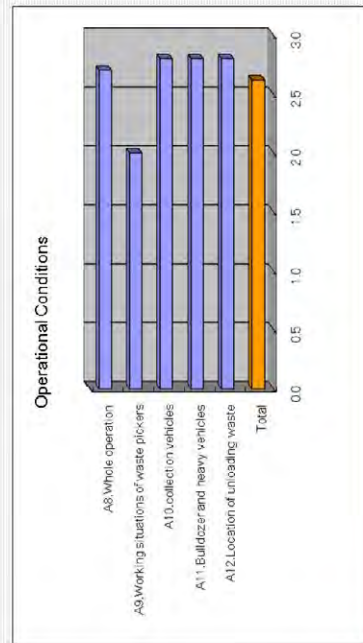


### Narangiin Enger



## EVALUATION RESULTS

### Narangiin Enger



C.3.2 2011.07.27

**Environment and Operation  
Monitoring of the Final Disposal  
Sites of Ulaanbaatar City**

Second Monitoring  
27 July 2011  
MDDS & MDDS

**Guideline to inspect NEDS & MDDS  
operations approved by EPWMD on  
October 20, 2010**

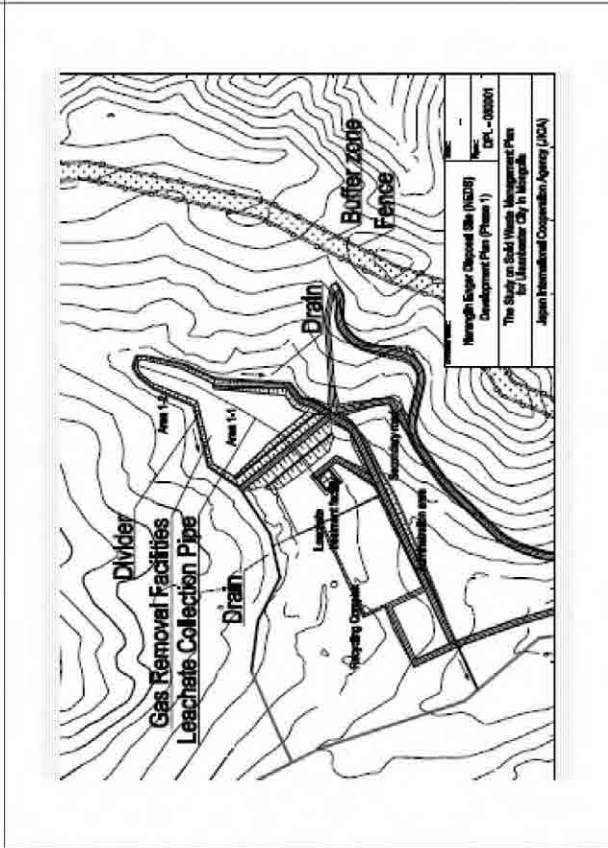
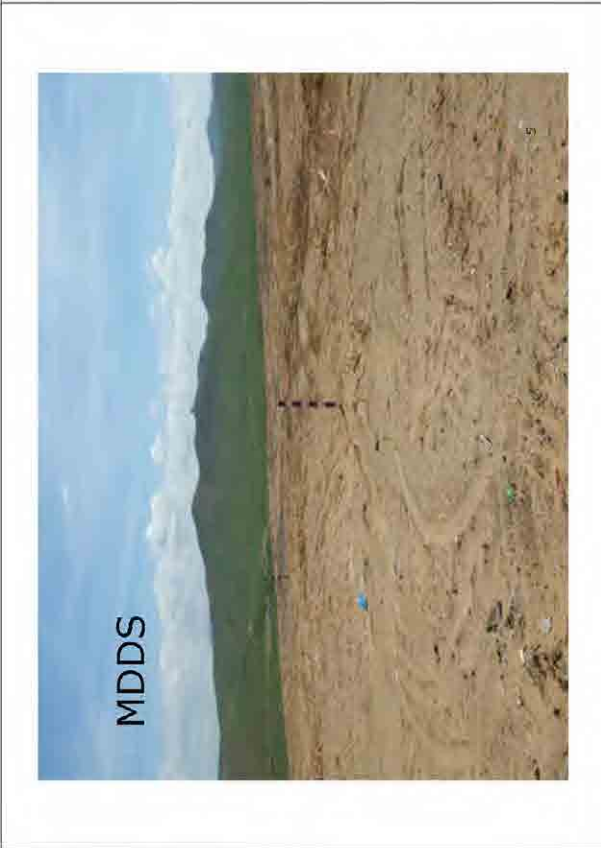
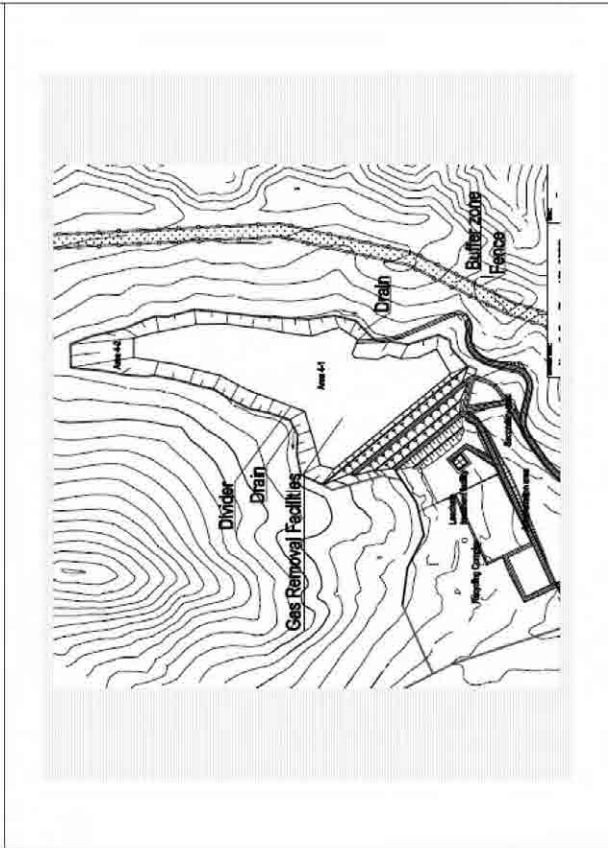
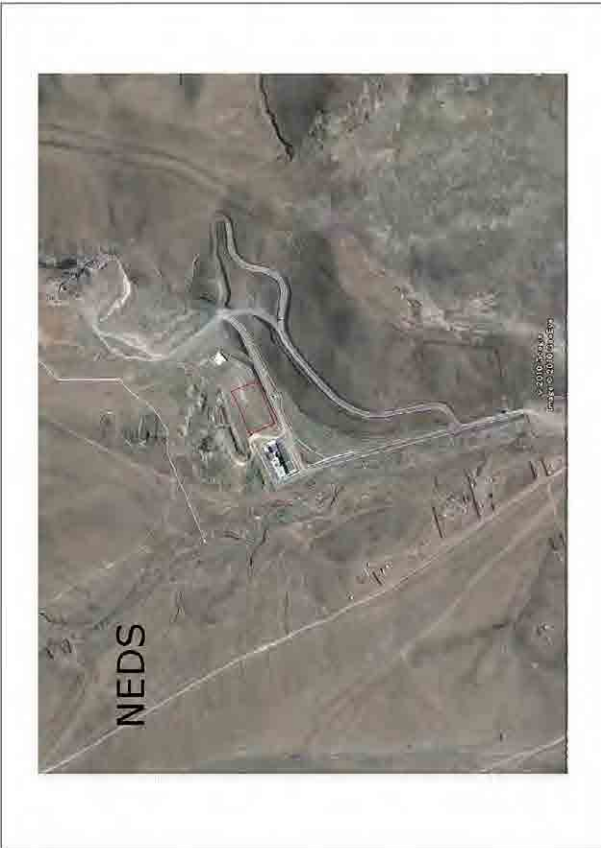
1. Inspection Purpose
2. Committee Members
3. Inspection Period
  - twice a year, June and October
4. Inspection Site
5. Inspection Item
6. Reporting
  - Report shall be prepared and submitted to GM for follow up measures, and publicized website [www.ubservice.mn](http://www.ubservice.mn) and other mass media tools
7. First monitoring was conducted on November 10, 2010

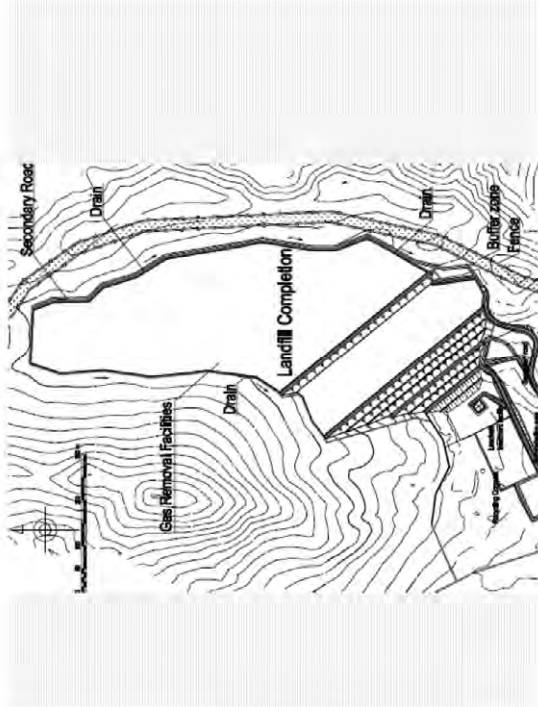
**Members of Monitoring Team**

Name	1st Monitoring	Organization
1. O.Odjargal	1. O.Odjargal	EPWMD Mayor's Office
2. Ts.Munkhbat	2. Ts.Munkhbat	Department, MONET
3. B.Buyanbat	3. B.Buyanbat	Governor's Office of Ulaanbaatar City
4. M.Badamkhand	4. M.Badamkhand	City Specialized Inspection Agency
5. Sharavdorj		Head, Mongolian Ecologists Union
5. B.Batdorj	5. B.Batdorj	Officer, PSD, SKHD Government
6. B.Myagmardorj		Officer on Environment Pollution, World Vision
7. Munkhitsuiseg	7. D.Gambaatar	Head, Tolgoit NGO
8. M.Tserendulam	8. S.Khashgerel	Governor, Khoroo No.3, SKHD
9. B.Gambaatar	9. E.Kansalmaa	Governor, Khoroo No.4, SKHD
10.Z.Narantsatralt		Principal, School No 65, SKHD
11.B.Oyuntsetseg	11.S.Oyungereel	Principal, Kindergarten No 80, SKHD
12.D.Yavuukhuu		Resident, Khoroo No.3, SKHD
13.M.Dolgor	13.M.Dolgor	Resident, Khoroo No.4, SKHD

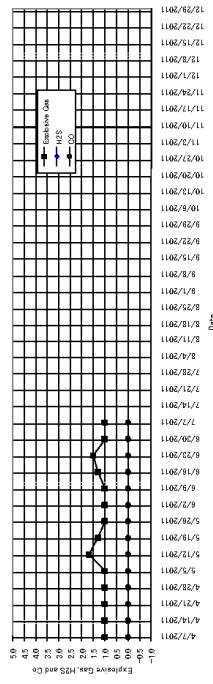
**Schedule**

Time	Group 1	Group 2	Person in charge	Item
10:00	1 <sup>st</sup> Floor MUB		Mr.Odjargal	Transportation Arrangement
10:00		SKHD Governor's Office	JET	
10:30	MDDS		CMPUA	Field Investigation
11:30		NEDS Director Room	Mr.Odjargal	Explanation of Monitoring Criteria
12:00 - 12:30		Filed Investigation	CMPUA	Field Monitoring
12:30 - 13:00		NEDS Director Room	Mr.Odjargal	Presentation of Monitoring Results and Closing

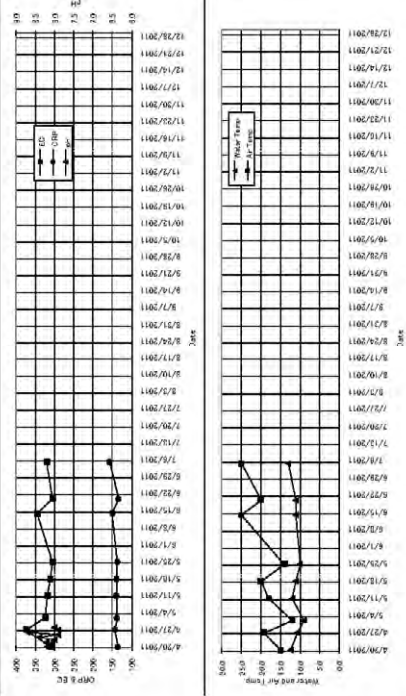




**Reference: NEDS Gas Monitoring Data**  
 (Regular monitoring conducted by CMPUA staff at NEDS)



**Reference: NEDS Water Monitoring Data**  
 (Regular monitoring conducted by CMPUA staff at NEDS)



**Check Item**

- Category A: Environment effect and operational conditions**
- Category B: Function of facilities**

## How to evaluate (1) Environmental Conditions

No	Items	Choices	Assessment Guideline
A1	Fire & Smoke	Acceptable Medium Terrible	There is only spot fire and smoke
A2	Offensive odor	Acceptable Medium Terrible	Most of landfill surface is covered with smoke due to fire
A3	Leachate	Acceptable Medium Terrible	
A4	Waste scattering	Acceptable Medium Terrible	A small amount of waste is scattered at the entrance area, on the access road, and in the surrounding part of the disposal site A lot of waste is scattered at the entrance area and on the access road, but it is still possible for vehicles to reach to the landfill area
A5	Animals (dogs, birds, etc)	Acceptable Medium Terrible	There are too much volume of waste on the access road for vehicles to reach There are many animals There are few animals
A6	Vermis (flies, worms, etc)	Acceptable Medium Terrible	There is a lot of animals There are few vermins There is a lot of vermins
A7	View	Acceptable Medium Terrible	Generally clean as a landfill site Very dirty in spite of landfill site

## How to evaluate (2) Operational Conditions

No	Items	Choices	Assessment Guideline
A8	Whole operation	Well controlled or operated Medium Terrible	Machinery movement is well controlled by the controller
A9	Working situations of waste pickers	Well controlled or operated Medium Terrible	No control at all Safely working
A10	collection vehicles	Well controlled or operated Medium Terrible	Dangerous working condition Condition of collection vehicles are good
A11	Buildozer and other landfill operation heavy vehicles	Well controlled or operated Medium Terrible	Smoke, noise and rough operation are observed Wastes are leveled by the bulldozer There is a lot of unloaded wastes without leveling
A12	Location of unloading waste	Well controlled or operated Medium Terrible Medium Terrible	Collection vehicles are unloading wastes at designated place Collection vehicles are disposing wastes as they like

## How to evaluate (3) Function of facilities

No	Items	Choices	Assessment Guideline
B1	Access road	Functioning Medium Not functioning	Smooth surface and well maintained
B2	Weightbridge (measurement facilities and computer system)	Functioning Medium Not functioning	Many holes and no maintenance Weighing data is recorded everyday Frequent breakdown
B3	On-site road	Functioning Medium Not functioning	Smooth surface and well maintained Many holes and no maintenance
B4	Embankment Dam	Functioning Medium Not functioning	Front surface of embankment dam is shaped and covered with soil
B5	Gas removal facilities	Functioning Medium Not functioning	Slope is not shaped and wastes are exposed Gas removal pipe is extended according to the landfilling
B6	Security facilities (Fence, (fixed type), Gate, Bank facilities)	Functioning Medium Not functioning	Gas removal pipe is vained with wastes and not functioning There is no damage and well maintained
B7	Leachate treatment facilities	Functioning Medium Not functioning	Fence is damaged and no replacement Well maintained
B8	Drainage systems	Functioning Medium Not functioning	No maintenance Drainage is provided for heavy rain No drainage is provided

## Environmental Effect

No	Items	Acceptable	Medium	Terrible	Score	Note
A1	Fire & Smoke	3	2	1		
A2	Offensive odor	3	2	1		
A3	Wastewater	3	2	1		
A4	Waste scattering	3	2	1		
A5	Animals (dogs, birds, etc)	3	2	1		
A6	Vermis (flies, worms, etc)	3	2	1		
A7	View	3	2	1		

### Operation Condition

No	Items	Well controlled or operated	Medium	Terrible	Score	Note
A8	Whole operation	3	2	1		
A9	Working situations of waste pickers	3	2	1		
A10	collection vehicles	3	2	1		
A11	Bulldozer and other landfill operation heavy vehicles	3	2	1		
A12	Location of unloading waste	3	2	1		
Total of Category A						

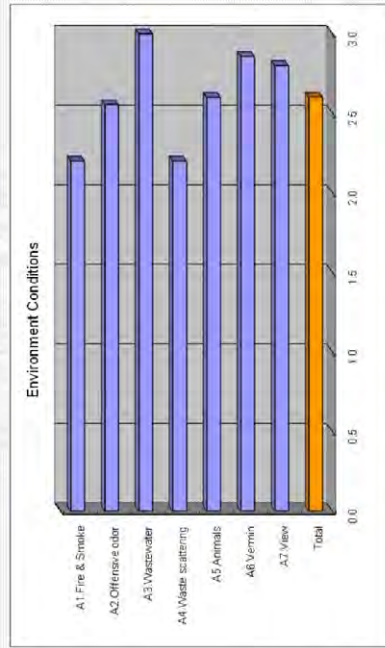
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### Function of Facilities

No	Items	Functioning	Medium	Not-functioning	Score	Note
B1	Access road	3	2	1		
B2	Weightbridge (measurement facilities and computer system)	3	2	1		
B3	On-site road	3	2	1		
B4	Embankment dam	3	2	1		
B5	Gas removal facilities	3	2	1		
B6	Security facilities Fence (fixed type), Gate, Bank	3	2	1		
B7	Leachate treatment facilities	3	2	1		
B8	Drainage systems	3	2	1		
Total of Category B						

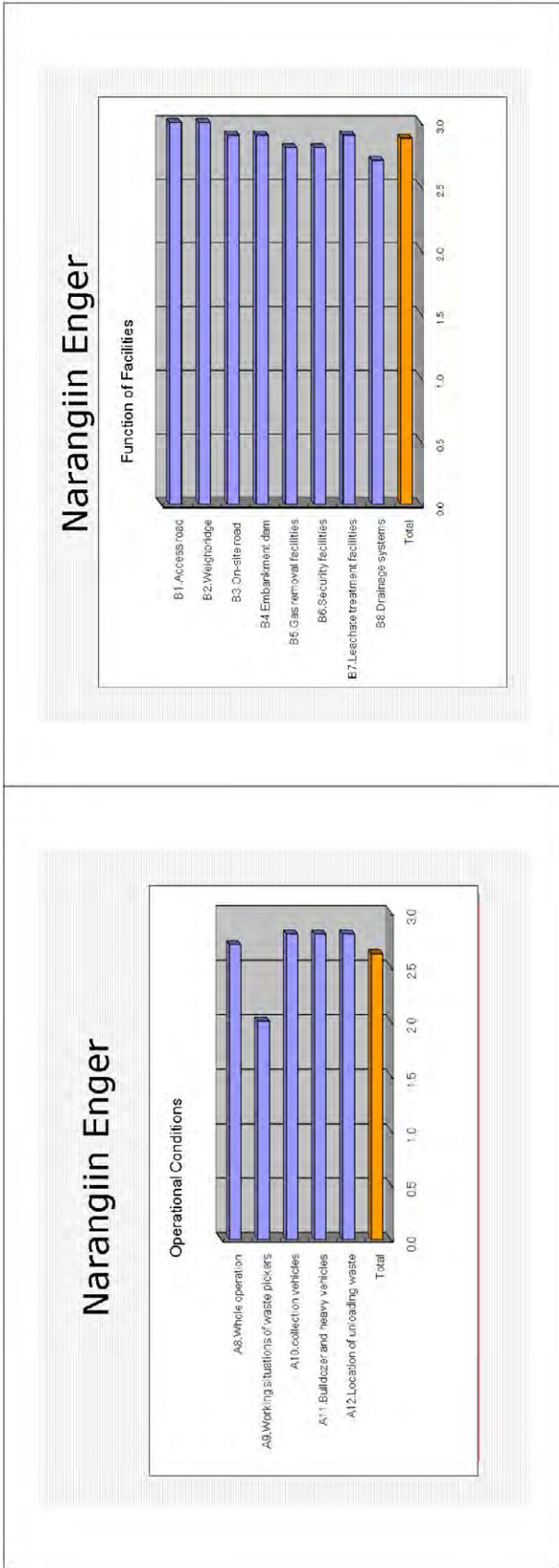
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### Narangiin Enger



### EVALUATION RESULTS

1st Monitoring on  
 November 10, 2010





C.3.3 2012.05.14

**Environment and Operation  
 Monitoring of the Final Disposal  
 Sites of Ulaanbaatar City**

Second Monitoring  
 14 May 2012  
 NEDS

**Guideline to inspect NEDS & MDSS  
 operations approved by EPWMD on  
 October 20, 2010**

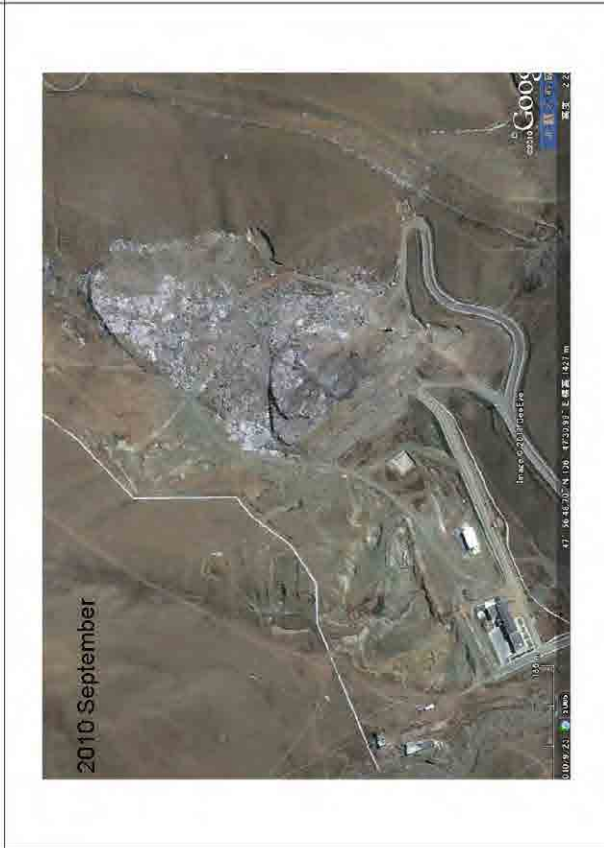
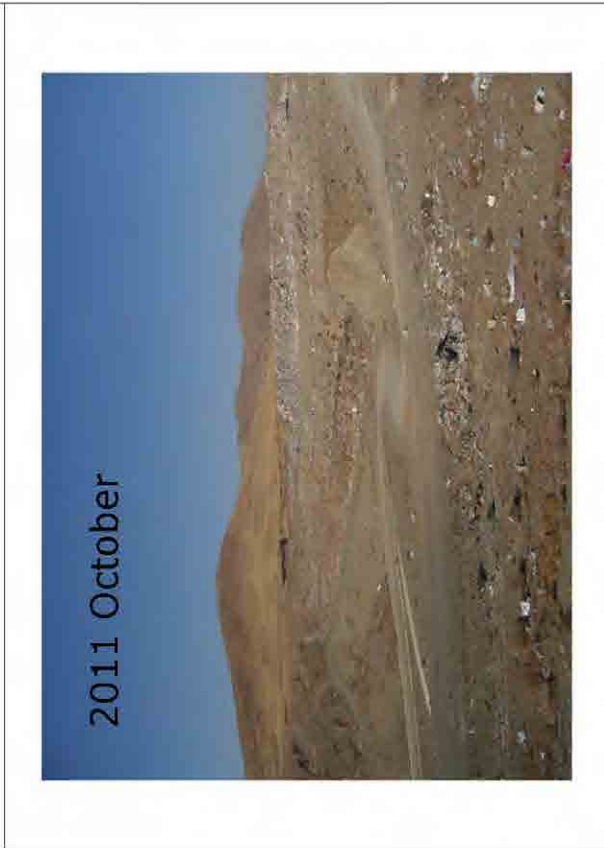
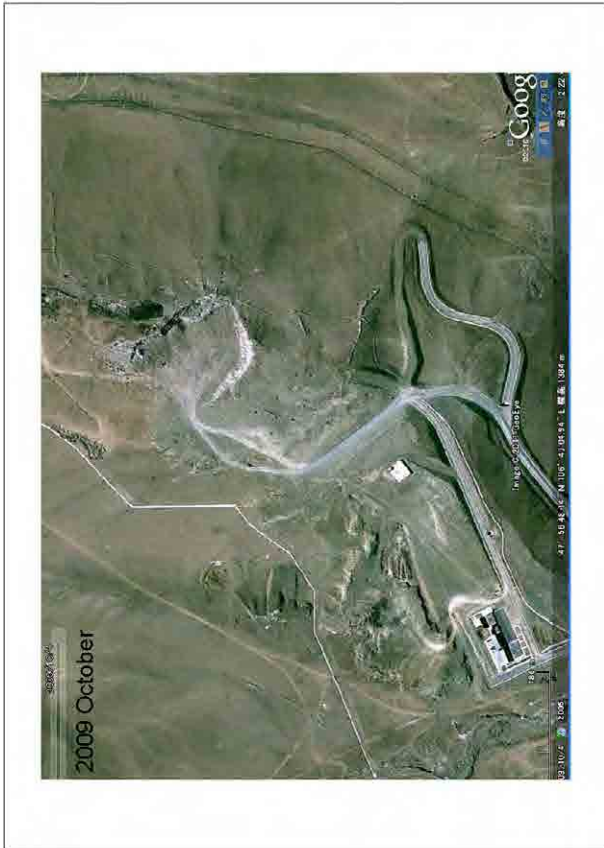
1. Inspection Purpose
2. Committee Members
3. Inspection Period
  - twice a year, June and October
4. Inspection Site
5. Inspection Item
6. Reporting
  - Report shall be prepared and submitted to GM for follow up measures, and publicized website [www.ubservice.mn](http://www.ubservice.mn) and other mass media tools
7. First monitoring was conducted on November 10, 2010

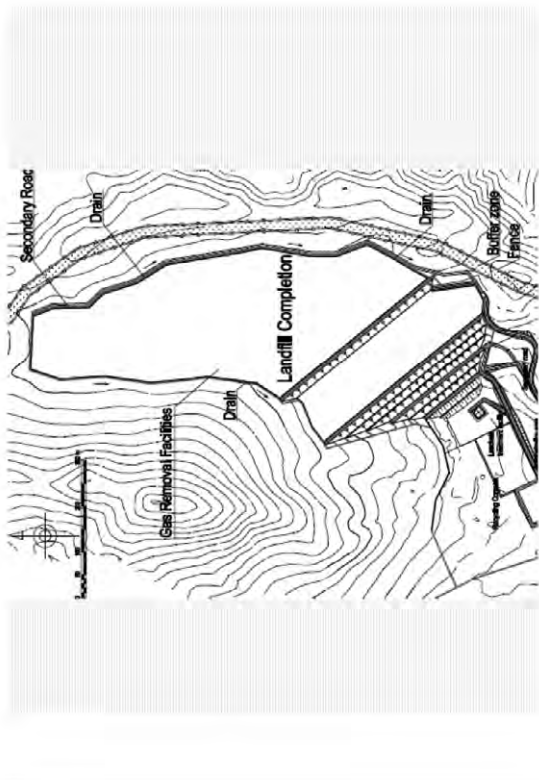
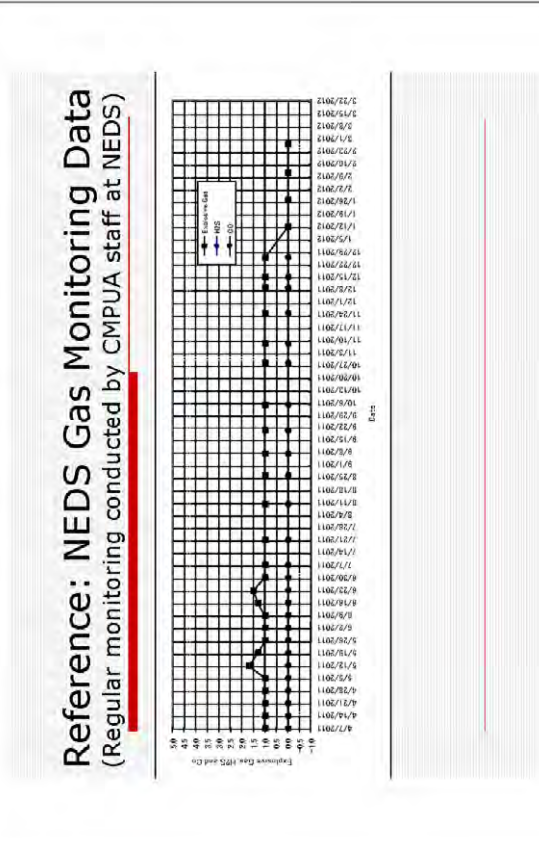
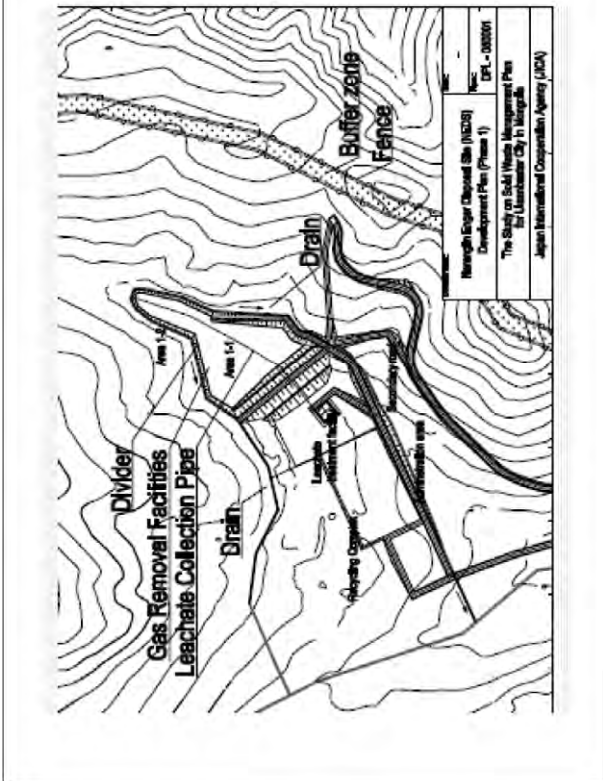
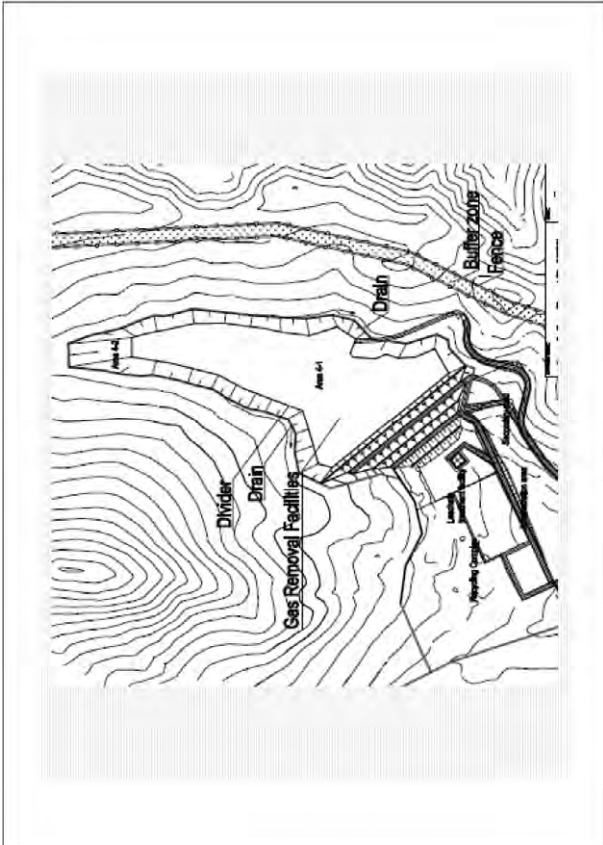
**Members of Monitoring Team**

Name	1st Monitoring	Organization
1. O.Odjargal	1. O.Odjargal	EPWMD Mayor's Office
2. Ts.Munkhbat	2. Ts.Munkhbat	Department, MOMET
3. B.Buyanbat	3. B.Buyanbat	Governor's Office of Ulaanbaatar City
4. M.Badamkhand	4. M.Badamkhand	City Specialized Inspection Agency
5. Sharavdorj		Head, Mongolian Ecologists Union
5. B.Batdorj	5. B.Batdorj	Officer, PSD, SKhD Government
6. B.Myagmardorj		Officer on Environment Pollution, World Vision
7. Munkhtsitsseg	7. D.Ganbaatar	Head, Tolgoit NGO
8. M.Tserendulam	8. S.Khashgerel	Governor, Khoroo No.3, SKhD
9. B.Ganbaatar	9. E.Nansalma	Governor, Khoroo No.4, SKhD
10.Z.Marantsatsralt		Principal, School No 65, SKhD
11.B.Oyuntsetseg	11.S.Oyungere	Principal, Kindergarten No 80, SKhD
12.D.Yavuukhuu		Resident, Khoroo No.3, SKhD
13.M.Dolgor	13.M.Dolgor	Resident, Khoroo No.4, SKhD

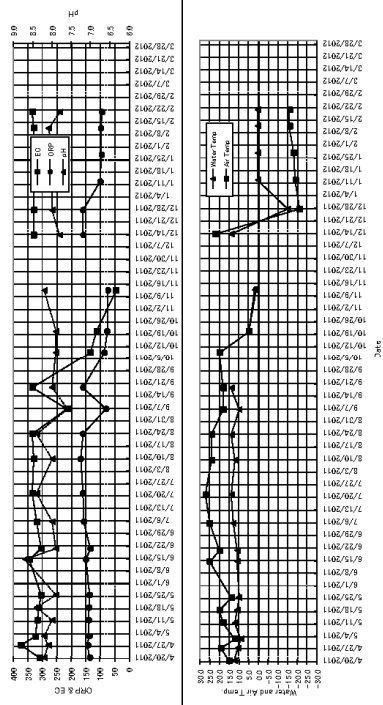
**Schedule**

Time	Group 1	Person in charge	Item
13:20	1 <sup>st</sup> Floor MUB	Mr.Odjargal	Transportation Arrangement
14:00 - 14:30	NEDS	CMPUA	Field Investigation
14:30 - 15:00	RPF Facility	CMPUA	Field Investigation
15:00 - 16:00	NEDS Director Room	Mr.Odjargal	Presentation of Monitoring Results and Closing





### Reference: NEDS Water Monitoring Data (Regular monitoring conducted by CMPUA staff at NEDS)



### Check Item

- Category A: Environment effect and operational conditions**
- Category B: Function of facilities**

1.4

### How to evaluate (1) Environmental Conditions

No	Items	Choices	Assessment Guideline
A1	Fire & Smoke	Acceptable Medium Terrible	There is only spot fire and smoke
A2	Offensive odor	Acceptable Medium Terrible	Most of landfill surface is covered with smoke due to fire
A3	Leachate	Acceptable Medium	
A4	Waste Scattering	Acceptable Medium	A small amount of waste is scattered at the entrance area, on the access road, and in the surrounding part of the disposal site
A5	Animals (dogs, birds, etc.)	Acceptable Medium Terrible	A lot of waste is scattered at the entrance area and on the access road, but it is still possible for vehicles to reach to the landfill area
A6	Vermin (flies, worms, etc.)	Acceptable Medium Terrible	There are too much volume of waste on the access road for vehicles to reach there are few animals
A7	View	Acceptable Medium Terrible	There are a lot of animals (flies, worms, etc.) Generally clean as a landfill site Very dirty in spite of landfill site

### How to evaluate (2) Operational Conditions

No	Items	Choices	Assessment Guideline
A8	Whole operation	Well controlled or operated Medium Terrible	Machinery movement is well controlled by the controller
A9	Working situations of waste pickers	Well controlled or operated Medium Terrible	No control at all Safely working
A10	collection vehicles	Well controlled or operated Medium Terrible	Dangerous working condition Condition of collection vehicles are good
A11	Buildover and other heavy vehicles	Well controlled or operated Medium Terrible	Smoke, noise and rough operation are observed Wastes are leveled by the bulldozer
A12	Location of unloading waste	Well controlled or operated Medium Terrible	There is a lot of unloaded wastes without leveling Collection vehicles are unloading wastes at designated place Collection vehicles are disposing wastes as they like

### How to evaluate (3) Function of facilities

No	Items	Choices	Assessment Guideline
B1	Access road	Functioning Medium Not functioning	Smooth surface and well maintained Many holes and no maintenance
B2	Weighbridge (measurement facilities and computer system)	Functioning Medium Not functioning	Weighing data is recorded everyday Frequent breakdown
B3	On-site road	Functioning Medium Not functioning	Smooth surface and well maintained Many holes and no maintenance
B4	Embankment Dam	Functioning Medium Not functioning	Front surface of embankment dam is shaped and covered with soil Slope is not shaped and wastes are exposed
B5	Gas removal facilities	Functioning Medium Not functioning	Gas removal pipe is extended according to the landfilling Gas removal pipe is vained with wastes and not functioning
B6	Security facilities Fence (fixed type), Gate, Bank	Functioning Medium Not functioning	Fence is damaged and well maintained There is no damage and well maintained
B7	Leachate treatment facilities	Functioning Medium Not functioning	Well maintained No maintenance
B8	Drainage systems	Functioning Medium Not functioning	Drainage is provided for heavy rain No drainage is provided

### Environmental Effect

No	Items	Acceptable	Medium	Terrible	Score	Note
A1	Fire & Smoke	3	2	1		
A2	Offensive odor	3	2	1		
A3	Wastewater	3	2	1		
A4	Waste scattering	3	2	1		
A5	Animals (dogs, birds, etc)	3	2	1		
A6	Vermis (flies, worms, etc)	3	2	1		
A7	View	3	2	1		

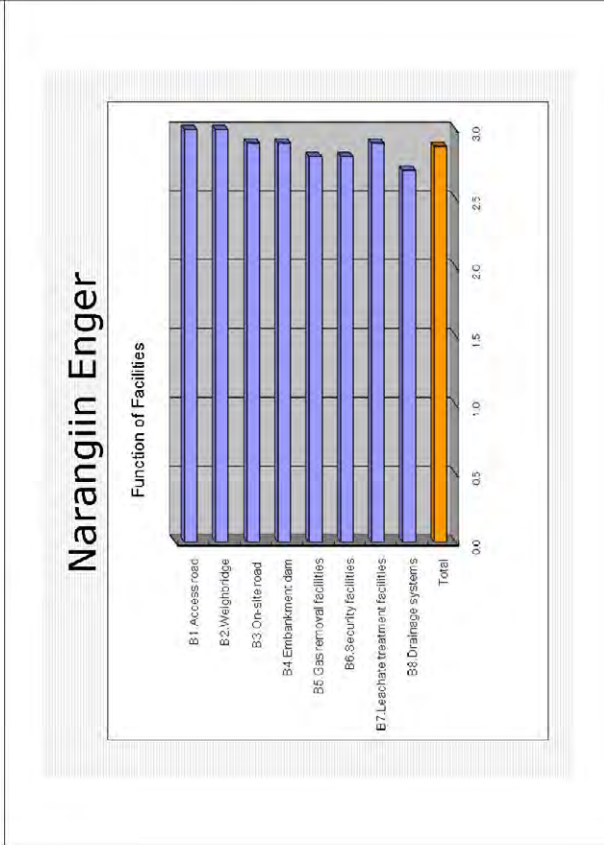
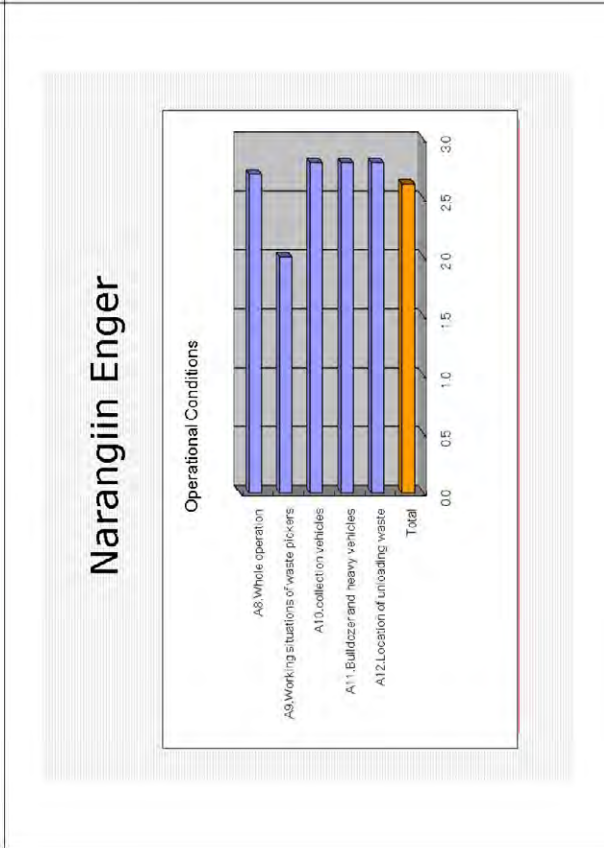
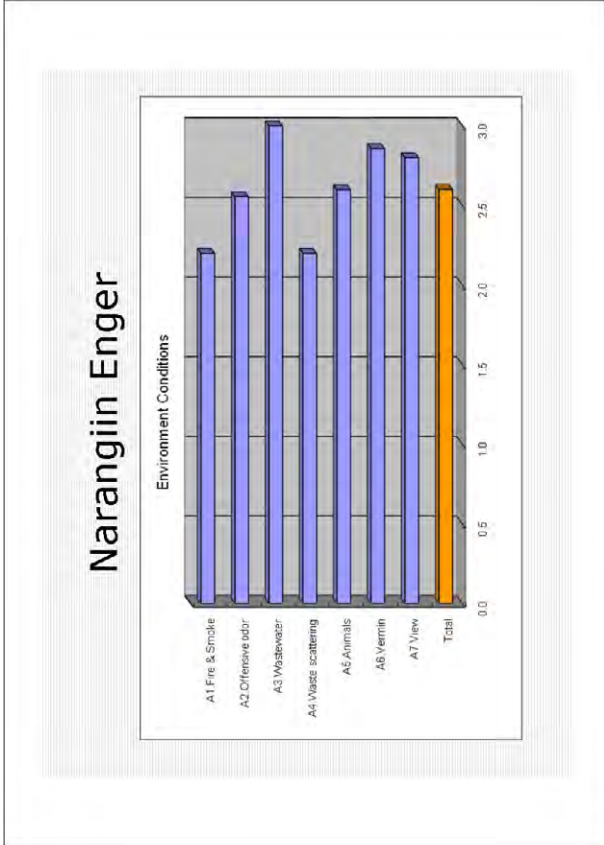
### Operation Condition

No	Items	Well controlled or operated	Medium	Terrible	Score	Note
A8	Whole operation	3	2	1		
A9	Working situations of waste pickers	3	2	1		
A10	collection vehicles	3	2	1		
A11	Buildozer and other landfill operation heavy vehicles	3	2	1		
A12	Location of unloading waste	3	2	1		
Total of Category A						

### Function of Facilities

No	Items	Functioning	Medium	Not-functioning	Score	Note
B1	Access road	3	2	1		
B2	Weighbridge (measurement facilities and computer system)	3	2	1		
B3	On-site road	3	2	1		
B4	Embankment dam	3	2	1		
B5	Gas removal facilities	3	2	1		
B6	Security facilities Fence (fixed type), Gate, Bank	3	2	1		
B7	Leachate treatment facilities	3	2	1		
B8	Drainage systems	3	2	1		
Total of Category B						

**EVALUATION RESULTS of**  
**1st Monitoring on**  
**November 10, 2010**



# SECTION D

## *Activities for administrative/financial management in swm*

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**D Activities for administrative/financial management in swm**

**D.1 Operational Guideline for Standard tender form**

**Operational Guideline  
for  
Standard Tender Form**

**January 2012**

**Japanese Expert Team**



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## **Chapter 1 Summary of Guideline**

### **1.1 Objective for establishing standard tender form**

Standard Tender Form is to work the competition by entering the private sector in waste collection services in Ulaanbaatar, which will be providing service with more well quality and economical to citizens.

### **1.2 Applicable Law**

District shall follow relevant law as below for Entrusting Household waste collection & transport to the company. In principle, waste collection activity shall be followed “Law of Mongolia on Household and Industrial Waste” and tender exercise shall be followed “Public Procurement Law of Mongolia”. Following priorities shall be adopted for relevant Law, Decree and regulation.

#### **1.2.1 Applicable Law and Decree and its priority**

Applicable Law and Decree and its priority are shown as below.

1. Law of Mongolia on Household and Industrial Waste (State Parliament, 1 December 2005 with revision till 9 June 2011)
2. Public Procurement Law of Mongolia (State Parliament, 28 November 2003)
3. Decree of the Government of Mongolia #22 On approval of the threshold value (Prime Minister, 15 February 2006)

Purpose of the tender is carrying out waste collection activity therefore “Law of Mongolia on Household and Industrial Waste” is sitting on top priority. Secondary it shall follow “Public Procurement Law of Mongolia” for tender exercise with supporting by “Decree of the Government of Mongolia #22 on approval of the threshold value”.

#### **1.2.2 Applicable Regulations**

Applicable Law and regulation in each stage are shown as below.

##### **【Planning stage】**

- ✓ Regulation on Organization the Evaluation Committee and Coordination its Activities (Order #81 made by the Ministry of Finance on 30 March 2007)
- ✓ Regulation on Verification of Tender Progress and the Results and Granting Permission (Order #145 made by the Ministry of Finance on 25 May 2007)

##### **【Prequalification】**

- ✓ Regulation on Organization the Evaluation Committee and Coordination its Activities (Order #81 made by the Ministry of Finance on 30 March 2007)
  - ✓ Regulation on Verification of Tender Progress and the Results and Granting Permission (Order #145 made by the Ministry of Finance on 25 May 2007)
-

*Chapter 1 Summary of Guideline*

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**【Tender, Signing of contract】**

- ✓ Prototype on Tenders for Implementation of Works (Order #428 made by the Ministry of Finance on 20 December 2006)
- ✓ Instruction for Tender Evaluation (Order #81 made by the Ministry of Finance on 30 March 2007)
- ✓ Regulation on Verification of Tender Progress and the Results and Granting Permission (Order #145 made by the Ministry of Finance on 25 May 2007)
- ✓ Regulation on Organization the Evaluation Committee and Coordination its Activities (Order #81 made by the Ministry of Finance on 30 March 2007)

**1.3 Point of Consideration for interpretation of applicable Law and Regulations**

The special point of Consideration for interpretation of each applicable Laws and Regulations are shown as below.

**1.3.1 Selection of waste collection and transporter**

(1) Law of Mongolia HH & IW

District has a right to select waste collection company, this rights is defined in “Law of Mongolia on Household and Industrial Waste” as below.

Article 9 Powers of Khural s of Citizens’ Representative and the Capital city, aimag, soum and district Governors

9.5. Governor of district has the following rights:

9.5.2. to select a company, organization that would carry out waste collection and transportation activities; to operate in accordance the approved regulations; and to finance operations and services carried out by a company, organization based on the terms of the contract;

Also the Law is allowed to select eligible waste collector from either private or public company.

(2) Public Procurement Law of Mongolia

Tendering clarification for Public company is defined as below in “Public Procurement Law of Mongolia”.

Article 14 Assessing general conditions

14.1 A tenderer shall be regarded as not qualifying general conditions if the following circumstances are proven:

14.1.3 Operations of a legal entity with whole or partial state ownership who are dependent on the procuring entity

According to the above clause, Public company whose have share with procurement entities is not permitted to participate into the tender. For example, EU public company is owned by Sukhbataar district therefore, EU public company is not allowed to participate tender which executed by

Sukhbataar district. However, EU public company can participate tender which executed by other than Sukhbataar district.

(3) Tender Prototypes for Procurement of Works

When the district decided to conduct tender, the payment shall be made accordance with the contract and the amount of payment will be created from the collected waste collection fees from discharger which is considering categorized under “Local Fund”. In this case, the tender shall be executed according to “Law of Mongolia on Procurement of Goods, Works and Services with State and Local Funds” and method tender document shall be followed “Tender Prototypes for Procurement of Works”. “Tender Prototypes for Procurement of Works” is defined eligible tenderer as below.

4 Entitled tenderer

4.2 Tenderers will be considered as unauthorized in the following cases (this also applies to every member of a consortium):

4.2.11 If the tenderer is state owned or mixed property company that is dependent on the client or financed from the state budget, non-profit organization, or the Law on Company does not regulate its operation and it directly belongs to the client organization.

According to the above clause, those companies are meet conditions under and they are unauthorized to participate to the tender.

- a) Public company whose has holding whole or partial share by Procurement entity
- b) Public company whose has holding whole or partial share by state and its company conducting state works with payment
- c) Non profitable company
- d) Company who is not categorized by “Law on Company”

However eligible tenderer that is defined in “Law of Mongolia on Household and Industrial Waste” and” Public Procurement Law of Mongolia are as below.

「Law of Mongolia on Household and Industrial Waste」

9.5. Governor of district has the following rights:

9.5.2. to select a company, organization that would carry out waste collection and transportation activities; to operate in accordance the approved regulations; and to finance operations and services carried out by a company, organization based on the terms of the contract;

「Public Procurement Law of Mongolia」

Article 14 Assessing general conditions

14.1 A tenderer shall be regarded as not qualifying general conditions if the following circumstances are proven:

*Chapter 1 Summary of Guideline*

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14.1.3 **Operations of a legal entity with whole or partial state ownership who are dependent on the procuring entity;**

Priority of applicable Law which stated in 1.2 Applicable Law, this clause shall be prevailing by “Law of Mongolia on Household and Industrial Waste” 2) “Public Procurement Law of Mongolia”.

On the other hand, it is written in preface of “Tender Prototypes for Procurement of Works”;

“The prototype should be adjusted depending on the characteristics of the procurements in a way to change its data table for tender selection (DTTS) and relevant articles in the special conditions of the contract document.”

It is not allowed to modify the contents in “Instruction to Tenderer”, however the contents need to modify below according to “Law of Mongolia on Household and Industrial Waste” and “Public Procurement Law of Mongolia”.

4.2.11 If the tenderer is operated by a legal entities with whole or partial ownership by procuring entity and Non profitable organizations.

**1.3.2 Type of Tender and selection of tender type based on the expected contract amount**

(1) Type of Tender

Tender type is defined according to “Public Procurement Law of Mongolia” the contents are as below.

Article 7 Procurement procedure

7.1 The procuring entity shall select a contractor and enter into a contract guided by the following procurement procedures in procurement of goods, works or services:

7.1.1 Open procurement procedure;

7.1.2 Exceptional procurement procedure;

7.1.3 Selection of a contractor of consulting services.

1) Open procurement procedure

Type of Open tendering is defined in “Public Procurement Law of Mongolia” the contents are as below.

Article 17 Open tendering

17.1 Invitation for open tendering shall be announced in accordance with Article 21 of this law, and all interested tenderers shall be given an equal opportunity to participate.

17.2 Interested tenderers shall submit their technical and financial proposals concurrently by the deadline fixed by the procuring entity.

17.3 Open tendering shall be carried out in one stage except as provided in Article 18 (Conducting two-stage tendering) of this Law.

## 2) Exceptional procurement procedure

Exceptional procurement procedure is defined according to “Public Procurement Law of Mongolia”, the contents are as below.

### Article 31 Application of the Exceptional procurement procedure

31.1 Exceptional procurement procedures shall be carried out in the following ways:

31.1.1 Limited tendering;

#### Article 32 Limited Tendering

32.1 Limited tendering shall be applied in the following cases:

32.1.1 The number of bodies capable of executing complicated goods, works or services requiring high qualification, expertise, equipment, and technology is limited;

31.1.2 Comparison;

#### Article 33 Comparison method

33.1. The comparison procedure may be used where the cost estimate of the goods works or services does not exceed the threshold values set out in 8.1.1 of this Law.

33.2 The comparison procedure shall be applied as follows:

33.2.1 Invite 3 or more bodies that satisfy the technical specification and other conditions and requirement to submit their price proposals;

33.2.2 Authorize a tenderer, who satisfied technical and other conditions and requirements and quoting the lowest price, to sign a contract as specified in 29.1 of this Law.

31.1.3 Direct contracting

#### Article 34 Direct Contracting method

34.1 The direct contracting procedure may only be used in the following cases:

34.1.1 The condition specified in provisions 30.4.3 and 33.4 of this law;

34.1.2 Given the necessity to protect copyright, a contract can be signed only with one body, and no substitute exists for the body;

34.1.3 given additional supplies do not exceed 20% of the value of the initial contract, and there is a need of replacing, repairing and making additional supplies of some parts of the goods and equipment provided under the initial agreement, the procuring entity has to change the supplier and such a change leads to procurement of supplies with different technical specifications, which cause a technical difficulty in the application and maintenance or incur cost-inefficiency;

## (2) Selection of Tender type based on the expected contract price

Also tender method is defined by estimated contract amount in “Public Procurement Law of

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*Chapter 1 Summary of Guideline*

Mongolia”. The definition is as below.

Article 8 Selection of procurement procedure

- 8.1 The Cabinet shall determine the following threshold values distinguishing between goods, works and services:
  - 8.1.1 Upper ceiling for cost estimate of goods, works or services available under comparison method;
  - 8.1.2 Upper ceiling for cost estimate of goods, works or services available under direct procurement;
  - 8.1.3 Upper ceiling for cost estimate of consulting service available under least-cost consultant selection procedure;
  - 8.1.4 Lower ceiling for cost estimate of goods, works or services that require authorization from the state administrative body for budgetary matters;
  - 8.1.5 Lower ceiling for cost estimate of goods, works or services whose invitation to tender is posted onto a web site mentioned in provision 52.1.12 of this law;
- 8.2 The open procurement procedure shall be applied to procurement of goods, works and/or services whose cost estimates exceed the threshold value set forth in provision 8.1.1 of this law unless the law provides otherwise.
- 8.3 The threshold value set forth in provision 8.1 of this law shall be reset by the Cabinet subject to recommendations of the state administrative body agency for budgetary matters on each occasion of the consumer price index fluctuating by more than 25%.

Detailed upper and lower limit is defined by “Decree of the Government of Mongolia #22 on approval of the threshold value”. The definition is as below.

Table 1-1: Type of Tender based on amount

Types of the threshold value	Classification			
	Goods	Works	Service	
			Consultant	Other
Upper ceiling for cost estimate of goods, works or services available under comparison method	30,000,000	50,000,000	10,000,000	30,000,000
Upper ceiling for cost estimate of goods, works or services available under direct procurement	1,000,000	-	1,000,000	1,000,000
Upper ceiling for cost estimate of consulting service available under least-cost consultant selection procedure	-	-	2,000,000	-
Lower ceiling for cost estimate of goods, works or services that require authorization from the state administrative body for budgetary matters	800,000,000	1,000,000,000	200,000,000	800,000,000
Lower ceiling for cost estimate of goods, works or services whose invitation to tender is posted onto a Web site	50,000,000	100,000,000	50,000,000	50,000,000

Source: Decree of the Government of Mongolia #22, on approval of the threshold value 15 Feb. 2006

(3) Selection of Tender type

Selection criteria for tender type which explained as the above is shown in flow chart as below.

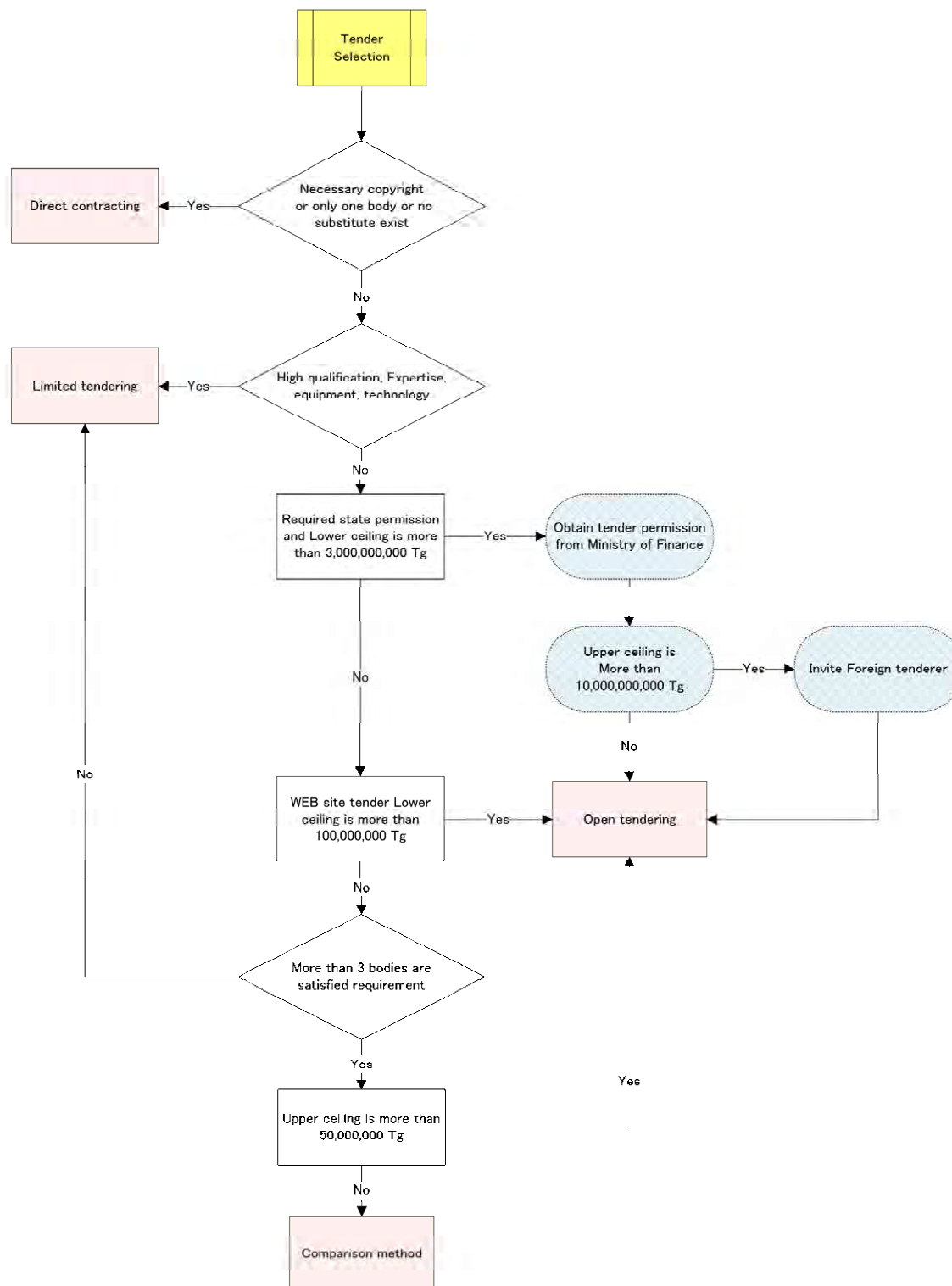


Figure 1-1: Flow chart of selection of Tender type



## Chapter 2 Operation of Tender Document

### 2.1 Flow of activities from Planning Stage to Tender and Signing of Contract

The stage up to making contract for waste collection service is divided two sections a) Planning stage, b) Tender exercise. The flow chart below is shown work flow from Planning stage to Tender exercise.

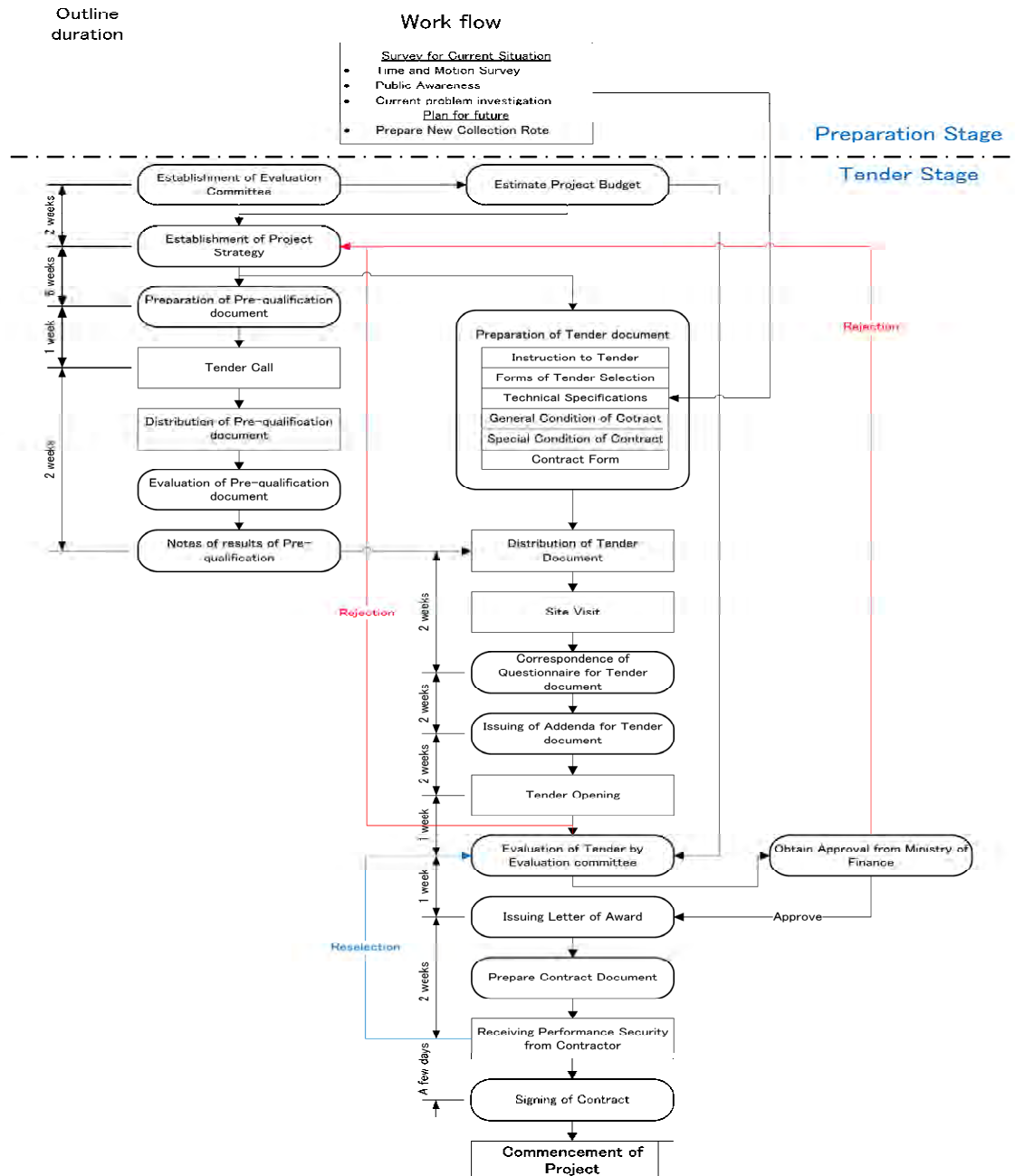


Figure 2-1: Work flow up to signing of contract

*Chapter 2 Operation of Tender Document*

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## **2.2 Planning stage**

It is made a) Contents of requirement for waste collection works, b) Setting out of upper limit of tender price and c) Preparation of tender in the Planning stage. (Detail contents shall be referred to Draft Preliminary Survey Report)

### **2.2.1 Formulation for contents works for waste collection and transportation**

It is formulated a) Collection area, b) Collection frequency and c) Collection route. Prior to formulate the contents, it is necessary to collect following information;

- ✓ Population and household number in the collection area
- ✓ Basic unit discharge amount of waste per capita per day
- ✓ Collection area map
- ✓ Current waste discharge point in the collection area
- ✓ Current frequency of waste collection service in the collection area
- ✓ Current waste collection route in the collection area
- ✓ Residence satisfaction level for current waste collection service

It is recommended that current collection frequency and collection route shall be surveyed by Time & Motion survey with public opinion survey. The required collection frequency and route shall be formulated based on the T&M survey and public opinion survey. If the client faced some difficulty such as “Collection area is too big”, “Collection route is too much complicated”, it is acceptable to take original conditions for tender requirement without the Survey.

However it is necessary to formulate at least “Waste collection frequency”, the frequency is used for calculation for “Upper limit of tender price”.

### **2.2.2 Setting out of budget (upper limit of tender price)**

#### **(1) Necessity of setting out of upper limit of tender price**

The Contract is making an agreement that “Client shall be made payments to the contractor that contractor shall comply and execute the works based on the conditions stated in the contract” between the client and the contractor.

Therefore the client shall execute a study that “How much is required for carrying out the works based on the requirement” and “How much is able to pay to the contractor” for executing of the contract.

#### **(2) Required cost for execution of works**

The required information for calculation of required cost is as below. (The details contents shall be referred to “Preliminary Survey Report for The Project on Waste collection & Transportation)

- ✓ Transportation cost (From collection area to final disposal site per trip)
- ✓ Waste collection frequency in the collection area

- ✓ Waste generation amount (population x unit waste generation rate)

Transportation cost shall be calculated based on the “Guideline for setting of applicable waste collection fee”. The required cost shall be calculated formula below.

**Required cost (Tg/month)**

$$= \text{Total discharged waste amount (ton/month)} \div \text{Transportable waste amount (ton/trip)}$$

$$\times \text{waste transportation cost (Tg/trip)}$$

(3) Payable amount

The required information for calculation of “Payable amount” is as below (The detail contents shall be referred to “Preliminary Survey Report for The Project on Waste collection & Transportation)

Number of household in the collection area

Waste collection fee for discharger and its collection rate

Payable amount shall be calculated formula as below.

**Payable amount (Tg)**

$$= \text{Waste collection fee for discharger (Tg/month)} \times \text{Fee collection rate (\%)} - \alpha$$

Note:  $\alpha$  = Expenditure which required by Client (example Office maintenance cost etc.)

(4) Setting out of upper limit of tender price

If “Payable amount” is bigger than “Required cost”, “Payable amount” shall be setting as “Upper limit of tender price”.

$$\text{Required cost for works} < \text{Payable amount} \rightarrow \text{Tender price limit} = \text{Payable amount}$$

In the events, “Required cost” is bigger than “Payable cost”, it is necessary to adjust “Requirement to the Tenderer”. There are two type of method is able to applied for adjustment; a) Enlarge of payable amount”, b) Reducing of required cost for the works. Those methods are followings;

1) Enlarge of payable amount

Frequency of waste collection is calculated “Total amount of discharged waste” / “Transportable amount of waste per trip”. The calculated figures are very seldom becoming “Integral number”.

$$\text{(Example)} \ 10 \text{ t} / 3.24 \text{ t/trip (Compactor truck 8m}^3\text{)} = 3.08 \text{ trip}$$

Based on the calculation actual required trips become 4 trips, however when the collection service is conducted, there is some space in the collection equipment. Transportable amount waste is calculated;

$$4 \text{ trip} \times 3.24 \text{ t/trip} = 12.96 \text{ t}$$

There is space “12.96 t – 10 t = 2.96 t”

Based on the “space”, how many household’s waste is able to transport; “Space” / “(Unit generation amount of waste per capita” x “ average number of personnel in household”

*Chapter 2 Operation of Tender Document*

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$$2.96 \text{ t} \div (0.00028 \text{ t/capita/day} \times 30 \text{ days}) \div 4.128 \text{ capita/household} = 85.4 \text{ household}$$

It is able to collect waste from 85 households more and it is able to collect additional waste fee for the discharger

$$85 \text{ household} \times 2000 \text{ Tg/month/household} = 170,000 \text{ Tg/month}$$

In this a case, Payable amount shall increase, but required cost shall maintain.

2) Reducing of required cost for the works

Reducing of required cost for the works shall be adjusted by waste collection frequency. The example is shown as below.

**【Original conditions】**

Total amount of discharged waste from collection area	: 12.25 t / week
Required waste collection frequency which defined by the Client	: 3 times / week
Waste collection equipment	: 8 m3 Compactor truck (Maximum pay load 3.24 t / trip)
Waste transportation cost per trip	: 64,800 Tg/trip/unit

The required cost for the works based on the above conditions is as below

$$\begin{aligned} 12.25 \text{ t / week} \div 3 \text{ times / week} \div 3.24 \text{ t / trip / unit} &= 1.26 \text{ trip / week / unit} \\ 1.26 \text{ trip / week / unit} &\rightarrow 2 \text{ trip / week / unit} \\ 2 \text{ trip / week / unit} \times 64,800 \text{ Tg / trip / unit} \times 3 \text{ times / week} &= 388,800 \text{ Tg} \end{aligned}$$

Required collection number is 1.26 trip/week/unit based on the requirement. However considering transportable amount, it is not economical trip due to under load.

**【Revised conditions】**

Total amount of discharged waste from collection area	: 12.25 t / week
Required waste collection frequency which defined by the Client	: 2 times / week
Waste collection equipment	: 8 m3 Compactor truck (Maximum pay load 3.24 t / trip)
Waste transportation cost per trip	: 64,800 Tg / trip / unit

The required cost for the works based on the above conditions is as below

$$\begin{aligned} 12.25 \text{ t/week} \div 2 \text{ times/week} \div 3.24 \text{ t/trip/unit} &= 1.89 \text{ trip/week/unit} \\ 1.89 \text{ trip/ week/unit} &\rightarrow 2 \text{ trip/week/unit} \\ 2 \text{ trip/week/unit} \times 64,800 \text{ Tg/trip/unit} \times 2 \text{ times/week} &= 259,200 \text{ Tg} \end{aligned}$$

In the above case, all of the discharged waste is collected with reduced collection frequency. It is reduced 129,600 Tg for required cost.

### **2.2.3 Operation of Standard Tender Form**

#### **(1) Contents of Standard Tender Form**

Standard Tender Form is consist of following seven (7) chapters following “Tender Prototypes for Procurement of Works”

- Chapter 1 : Instruction to Tenderer
- Chapter 2 : Data table for tender selection (DTTS)
- Chapter 3 : Tender Selection forms (TSF)
- Chapter 4 : Technical Specification
- Chapter 5 : General Condition of Contract
- Chapter 6 : Special Condition of Contract
- Chapter 7 : Contract Forms

“Tender Prototypes for Procurement of Works” is able to response several type of tender.

#### **(2) Instruction tenderer**

Eligible tenderer which stated in the Chapter 1.4.2.11 was changed, the reason is explained in 1.3.1 Selection of waste collection and transporter. The changes are as below.

##### **【Original clause】**

- 4.2.11 If the tenderer is state owned or mixed property company that is dependent on the client or financed from the state budget, non-profit organization, or the Law on Company does not regulate its operation and it directly belongs to the client organization.

##### **【Revised clause】**

- 4.2.11 If the tenderer who are operations of a legal entity with whole or partial state ownership by the procuring entity, non-profit organization, or the Law on Company does not regulate its operation are not satisfied.

#### **(3) Definition of Contents in Data Table for Tender Selection (DTTS) and Special condition of Contract**

##### **1) DTTS**

How to select the contents stated in the DTTS is as below.

##### **【A General condition of contract】**

##### **■ Chapter 1.5.3 (d)**

The contents required that “Personnel who has an experience in the contract and/or Tender exercise field”. It is not mandatory to require for the waste collection service.

*Chapter 2 Operation of Tender Document*

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■ Chapter 1.6.1

The same requirement will be applied either consortium or single company for conduction of the works.

**【C Preparation of Proposal】**

■ Chapter 21

Tender security is defined as below in the “Public Procurement Law of Mongolia: Article 20. Tender Security”

Tender security is required 1-2% of expected tender sum for “Open Tender”. Tender security is not defined to require other than the “Open tender”.

**【E Opening and Evaluation of Proposals】**

■ Chapter 1.34.4

Performance guarantee is defined as below in “Public Procurement Law of Mongolia: Article 43. Performance guarantee and its amount, issuing a performance”.

43.2. The procuring entity shall set and state in the tender documents the amount of performance guarantee at **5 percent of the contract value.**

43.4. The procuring entity shall require the contractor to furnish a performance guarantee in the following cases:

43.4.1. Entering into a procurement contract for works with an cost estimate of over **MNT 150 million;**

2) Special Condition of Contract

■ Chapter 5.13

Definition of “Special condition of Contract” is as below in the Prototype.

Items to be covered by the compulsory insurances and their minimum insurance payment are the following:

- (a) The maximum amount to be deducted by the client for the insurance of the works, facilities and materials will be [Specify the amount].
- (b) The minimum amount to be paid by the contractor for insurances of the works, facilities and materials related to the mistakes in the drawings prepared by the contractor will be [Specify the amount].
- (c) The maximum amount to be deducted by the client for the insurances of equipments will be [Specify the amount].
- (d) The minimum amount to be paid by the contractor for the insurances against losses or breakdowns of equipments will be [Specify the amount].
- (e) The maximum amount to be deducted by the client for insurances of other assets will be [Specify the amount].

*Chapter 2 Operation of Tender Document*

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- (f) The minimum amount to be paid by the contractor for insurances of other assets will be [Specify the amount].
- (g) The minimum amount to be paid by the contractor for casualty and life insurances will be the following:
  - (1) [Specify the amount] for employees of the contractor.
  - (2) [Specify the amount] for other people.

Clause (a) – (f) are applicable only for construction works, therefore it is state only (g) for waste collection service tender.

■ Chapter 5 23~32

- 23.0 The contractor should prepare clarified work program within [specify the number of days] days after the receipt of the statement granting the contract rights.
- 25.0 The work program will be clarified in every [specify the number of days] days.
- 25.0 The amount to be deducted for any failure in submission of the clarified work program will be [specify the amount].
- 32.0 The warranty period will be [specify the number of days] days.

“Work program” and “Defect liability” are not applicable for waste collection service, therefore both of the contents were deleted.

■ Chapter 5.47

- 47.0 The amount of the bonus will be [Specify the percentage] % of the contract price per day

This clause is applicable for “Early Completion of the Works”. Waste collection service shall be conducted whole contract period. It is not applicable for waste collection service therefore the clause was deleted.

■ Chapter 5.55, 5.57

- 55.0 The acts of adjustments in implementation drawings, under-ground works, engineering lines and technological equipments will be submitted before [specify the date]. The operation and maintenance manual will be handed over before [specify the date].
- 55.0 The amount of payment to be deducted for failure in submission of the above-mentioned materials in respective due time will be [specify the amount].
- 57.0 Additional costs that the client pays at the completion of the works is calculated by [percent] % of the uncompleted works.

This clause is applicable for “Construction works” and “Procurement of equipment”. It is not applicable for waste collection service, therefore the clause was deleted.

*Chapter 2 Operation of Tender Document*

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(4) Technical Specification

1) 1. Basic service

This clause define basic requirement to tenderer from client.

The waste collection fees for discharger is collected together with electricity and/or apartment rental fees and it became controlled under the District government. Waste collection transportation cost is paid by the above finance source.

However, waste is generated not only from household, but also business entities. Waste which generated from Business entities are collected by waste collection and transport company according to contract between business entities and waste collection company directory. Therefore waste collection fee for discharger is collected directory by the waste collection company. It is unable to control by District government. Thus waste collection which generated by both is unable to control under the same contract under this circumstance.

On the other hand, when the illegal dump is occurred in collection area it is unable to clarify who discharged waste illegally. However it is necessary to judge that who shall take responsibility to clear the illegal waste. Based on such circumstance, it is inserted clause below in the Tender specification.

- ✓ Successful tenderer shall make a waste collection contract with all of the business entities that is carrying out business in the collection area.

2) 3. General education and compliance

This clause is specified contractor shall execute the work according to condition provided by the client and also defined as a contractor obligation that contractor shall be carried out basic education such as discharge manner with residence who lived in collection area.

3) 10 Vehicles

This clause define for waste collection vehicle which used by the contractor. Main contents areas below.

- ✓ For the collection of non-hazardous Solid Waste specialized collection vehicles shall be used. These fully contain the waste, eliminating potential nuisances such as odors, windblown litter and uncontrolled leachate discharge.
  - ✓ The Contractor shall paint all vehicles used for the routine collection of non-hazardous Solid Waste in the same color as the uniforms provided to the workers. The Contractor's name, telephone number, and vehicle number shall be visibly displayed on all collection.
  - ✓ The Contractor shall ensure that all vehicles are registered and operate in compliance with all applicable laws and regulations.
  - ✓ When vehicles are down for maintenance or repair, it shall be the Contractor's
-



obligation to provide a replacement vehicle from the spares in its fleet or a comparable replacement through rental or leasing arrangements.

- ✓ All vehicles shall be sufficiently secure so as to prevent any spilling or littering of Solid Waste. No vehicles shall be willfully overloaded.

#### 4) 18 Liability & Indemnity

This clause is defined to insure the insurance for the compensation of injury and/or accident during their work execution.

#### 5) 20 Financial Penalties

This clause is defined financial penalties in case contractor violates with condition of contract.

The penalties shall calculate based on the following defined point(s), “Rectification notice” -1 point, “default Notice” -2 points and “Supplement Notice” -3 points. Each definition of “Notice” shall refer to “Stander Tender Form”.

The financial penalties shall be collected from the contractor based on the table below.

Default Points in any month	Deduction from monthly installment
0-20	1.0%
21-40	2.0%
41-60	5.0%

The financial penalty is tentatively defined. It is necessary to exam each District based on the current situation.

#### 6) 23 Submission of optional proposal

This clause is define to allow for the alternative proposal by the tenderer who consider more effective and/or economical works will be conducted based on their alternative proposal. Tenderer who submit the alternative proposal they are required to submit price for both original and alternative.

Also tenderer who submit alternative are required to submit “Waste collection route and collection point” and “Waste collection frequency and Time table” based on their proposal.

## **Chapter 3 Relevant Document**

Relevant document for Standard Tender Form is as below.

- ✓ Preliminary Survey Report for The Project on Waste collection & Transportation
- ✓ Guideline for setting of applicable waste collection fee
- ✓ Prequalification Documents for the Project on Waste collection & Transportation
- ✓ Tender Document for the Project on Waste collection & Transportation

**D.2 Document related with Tender**

**D.2.1 Preliminary survey**

PRELIMINARY STUDY REPORT  
ON  
THE PROJECT THE PROJECT ON WASTE  
COLLECTION & TRANSPORTATION  
AT  
KHOROO NO. 7, SUKHBATAAR DISTRICT

**December 2011**

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*1 Summary of the preliminary study*

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## **1. Summary of the preliminary study**

### **1-1 Objective of the preliminary survey**

The preliminary study is aim to set up for figures which will be needed for tender specification and budget allocation for tender.

These figures are to be used for tender specifications. Required setting up figures are as below.

1. Population in the designated area
2. Number of the household in the designated area
3. Waste generation amount
4. Waste collection route
5. Waste collection point
6. Waste collection frequency
7. Tender price (budget)

### **1-2 Required defined figures**

When waste collection service is to be ordered to the subcontractor, the client shall survey and calculate these figures.

(1) Population, number of Household and Waste generation amount

Based on the information such as number of population and waste generation rate, the client shall calculate waste generation amount in the designated area.

(2) Waste collection rute and point

The client shall survey (by the Time & Motion survey) current waste collection route. If the current collection route and / or point are needed to modify, the revised route shall be define by the client.

(3) Waste collection frequency

Also the based on the time & motion survey and waste generation amount, the adequate frequency of waste collection shall be set.

(4) Tender price (budget)

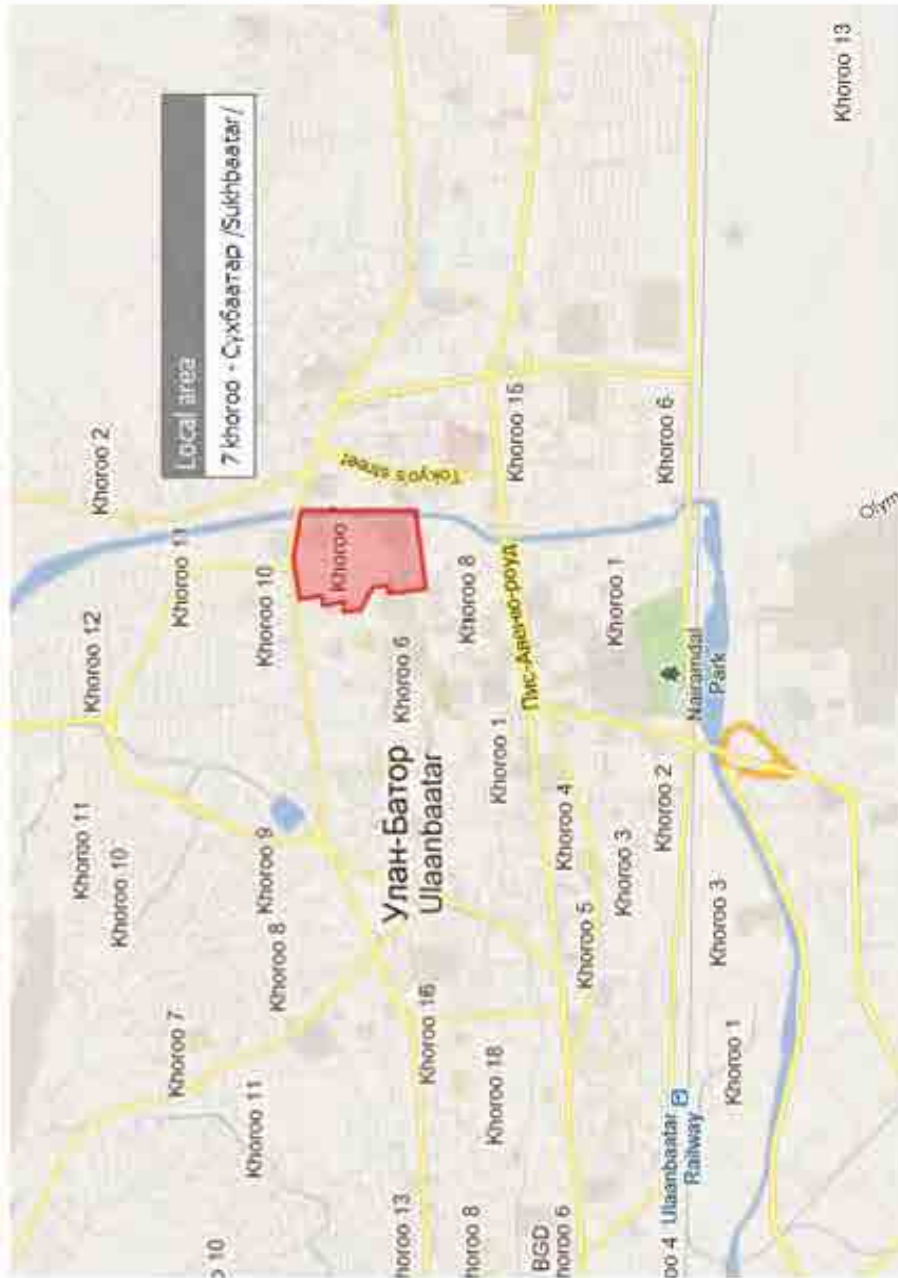
Based on the frequency of waste collection and Guideline for waste collection and transport fee, the Tender price (budget) shall be set.

---

## 2 Location

### 2. Location

Designated location is shown as below.



*3 Time and Motion Survey*

**3. Time and Motion Survey**

**3-1 Basic information**

Basic information for designated area (SBD#7) is as below.

Description	Quantities
Population	5,596 capita
Household	1,404 household
Waste generation rate	312 g/person/day

**3-2 Time and motion survey**

The sample of the time and motion survey result is as below.

**(1) Storage and Discharge**

Before	After
Dust chute is not closed	Dust chute is closed
Waste is not put into bags	Waste is put into bags
Open waste is discharged from top of DCs	Bagged waste is put at each floor
Open waste is accumulated in storage rooms of the DCs	Bagged waste is carried down and arranged in the storage rooms of the DCs

3 Time and Motion Survey

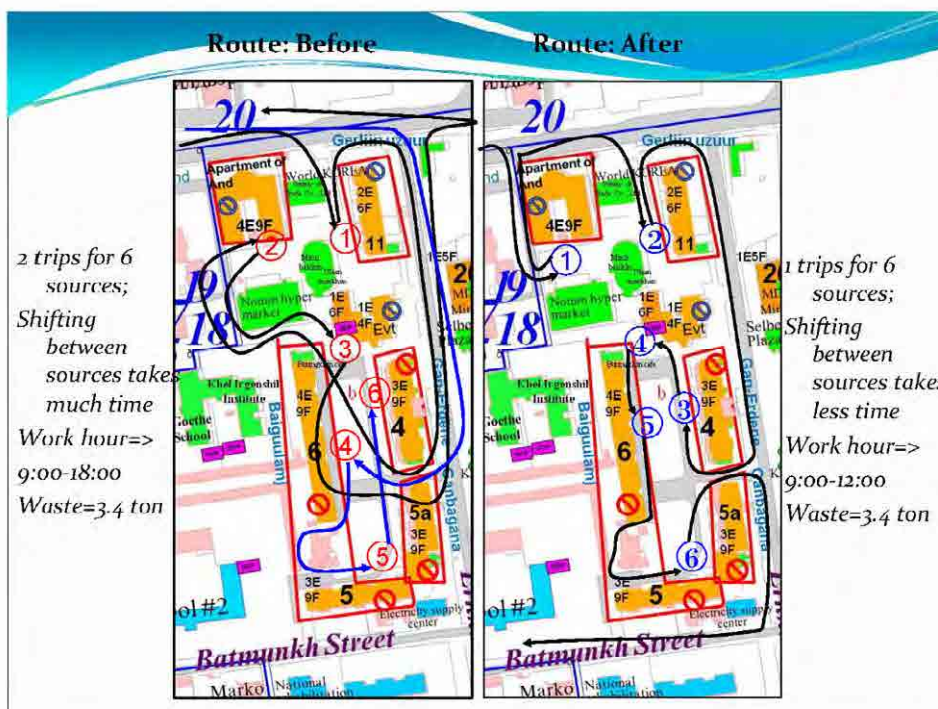




3 Time and Motion Survey

## (2) Collection

Before	After
Frequency=>Once a week	Frequency=>3 times/week
No schedule	Planned schedule
Route: Not neatly planned	Route: Neatly planned
Collecting waste is difficult	Collecting waste is easy
Collection is in efficient	Collection is efficient



3 *Time and Motion Survey*



4 Setting out of Specification

## 4. Setting out of Specification

### 4-1 Collection route and point

Based on the Time & Motion survey, collection route and points are set as below.

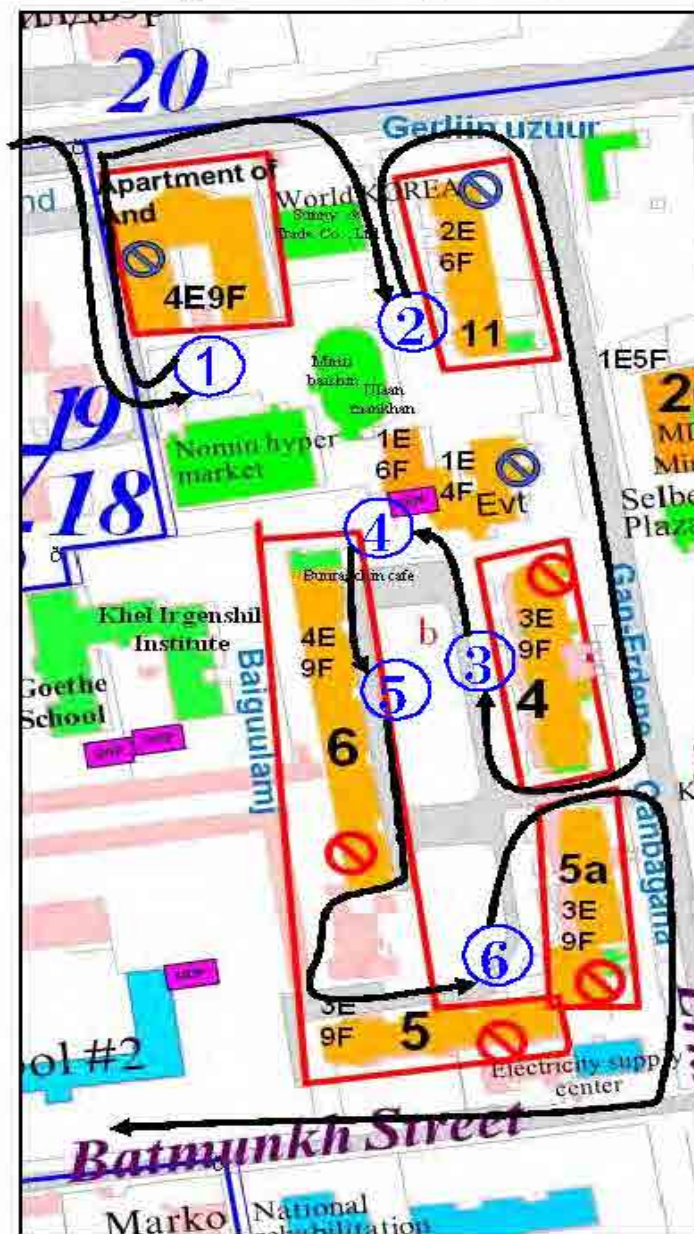


Figure 4-1: Collection route and point (SBD #7)

*4 Setting out of Specification*

**4-2 Frequency and Time table of the waste collection**

Based on the Time and Motion Survey, frequency and time table of the waste collection is set as below. The M/P 2020 objective related to the collection frequency in apartment areas is 3 times/week: twice/week for regular collection and once/week for separate collection. However, this objective was set based on the assumptions that SWM in UBC and the residents' environmental education would have been improved by the target year.

For the time being, collection frequency in an area should be set considering the following items:

1. Conditions in target areas: possibility of waste storage, types of discharge points and sanitation requirements;
2. Seasonal impacts: summer and winter;
3. Results of POS: possible days to store waste at generation sources.

Standard collection frequencies acceptable under the current conditions are compiled in the table below by types of residential areas:

Table 4-1: Standard collection frequencies

No	Types of residential areas	Standard collection frequency
1	Apartments with DC	Once/week
2	Apartments with closed DC or expected to close	2-3 times/week
3	Apartments without DC	3 times/week
4	Ger area	1-2 times/month

Having set the collection frequency, the collection schedule should be set as shown in the table below:

Table 4-2: Frequency and Time table of waste collection

4 Setting out of Specification

Days	Sources	Freq. (times/week)	Col. Hours	Col. Amount (kg)	Mon	Tue	Wed	Thu	Fri	Sat
Mon, Wed, Fri	<b>Morning Trip:</b>									
	1 Selbe houses/Orchlon	6	0:24	532	9:00		9:00		9:00	
	2 Macro Centre	3	0:13	312		→				
	3 Apart-9/1 & 5/1	3	0:13	197						
	4 Music and Dance College	3	0:24	519		→				
	5 Apart-39	3	0:08	208						
	6 Apart-4	3	0:13	409						
	7 Apart-6	3	0:17	409						
	8 Apart-5	3	0:08	409						
	9 Apart-5A	3	0:09	358	12:30		12:30		12:30	
	Expected Trip Waste (kg)				3352		3352		3352	
	<b>Afternoon Trip:</b>									
	1 Odkon Co., Ltd	1	0:03	236						14:50
	2 Craft atelier	3	0:12	355	14:50		14:50			
3 Apart-18 (15)	3	0:13	59							
4 Apart-7A	3	0:17	709							
5 Tanii delguur	3	0:06	153							
6 Tegsh AOU/Panda's Villa	6	0:18	436							
7 Tegsh's businesses	6	0:05	55							
8 Sunny and trade	3	0:14	255							
9 Business of Apart-13 (11)	6	0:08	55							
10 Soraksan & GaM	6	0:05	55							
11 Business of Apart-4	6	0:09	138							
12 Business of Apart-5A	6	0:06	42	18:00					18:00	
13 Chingeltei Electricity Supply	3	0:11	153			18:00				
Expected Trip Waste (kg)				2312		2465		2548		
Tue, Thu, Sat	<b>Morning Trip:</b>									
	1 Selbe houses/Orchlon	6	0:24	532		9:00		9:00		9:00
	2 Democratic Party	1	0:02	10						
	3 Apart-9	3	0:11	414						
	4 Apart-8	3	0:21	296						
	5 Apart-7	3	0:30	632						
	6 Apart-10	3	0:45	1270		12:30		12:30		12:30
	Expected Trip Waste (kg)					3153		3153		3153
	<b>Afternoon Trip:</b>									
	1 Rehabilitation clinics	3	0:20	657		14:50		14:50		14:50
	2 Nova furniture	3	0:06	100			→			
	3 Frame factory	1	0:08	100						
	4 Apart-36 (Selbe-2)	3	0:18	260			→			
	5 Pizza romania, Khaliun trade c	3	0:18	290						
	6 Auto wash	3	0:06	58						
7 Food market	3	0:07	580							
8 Tegsh AOU/Panda's Villa	6	0:18	436							
9 Tegsh's businesses	6	0:05	55							
10 Apart-13 (11)	3	0:14	255							
11 Business of Apart-13 (11)	6	0:08	55							
12 Soraksan & GaM	6	0:05	55							
13 Business of Apart-4	6	0:09	138							
14 Business of Apart-5A	6	0:06	42		18:00		18:00			
15 Smile and Selbe bars	1	0:16	355						18:00	
Expected Trip Waste (kg)					2980		3080		3335	

Collection days=6 per week

Number of trips=12 per week

Travel hours: (1) Khoroo to NEDS=>0:50 (2) NEDS to Khoroo=>1:30 (break included)

Operation hours: (1) Collection hours=2:40 per trip; (2) Shifting hours=0:50 per trip

5 Budget allocation

5. Budget allocation

5-1 Basis of collection and transport cost

Basic price of collection and transport cost is calculated “Guideline for waste collection and transport fee”. The cost per trip is calculated below.

Table 5-1: Basic price of collection and transport

Type of collection track	SBD	ChD	SKhD	BZD	BGD	KhUD
Compactor (15m3)	106,400	104,000	87,600	116,100	95,500	109,400
Compactor (8m3)	64,800	63,800	57,000	68,700	60,300	65,800
Dump Track (10m3)	72,400	70,700	59,700	78,800	64,800	74,300
Average distance (km)	16.1	15.1	8.0	20.3	11.3	17.3

Unit: Tg/trip

5-2 Project cost

Project cost is consisting of (1) waste collection and transportation cost and (2) other cost. Details of individual costs are as below.

(1) Waste collection and transport cost

Waste generation amount

$$5,596 \text{ capita} \times 0.312 \text{ kg/capita/day} = 1,746 \text{ kg/day} = 1.75 \text{ ton/day}$$

$$1.75 \text{ ton/day} \times 7 \text{ days/week} = 12.25 \text{ ton/week}$$

Collection frequency

3 times/week (SBD-7, apartments with closed DCs)

Required trips to be conducted on a collection day

1. by compactor track (8m3)  
 Loading capacity is 3.24 ton/ trip  
 $12.25 \text{ ton/week} / 3 \text{ times/week} / 3.24 \text{ ton/trip} = 1.26 \text{ trip/day} \Rightarrow 2 \text{ trips/time}$
2. by dump track (10m3)  
 Loading capacity is 2.70 ton/ trip  
 $12.25 \text{ ton/week} / 3 \text{ times/week} / 2.70 \text{ ton/trip} = 1.51 \text{ trip/day} \Rightarrow 2 \text{ trip/time}$

Required collection and transport cost

1. by compactor track (8m3)  
 $2 \text{ trip/time} \times 3 \text{ times/week} \times 52 \text{ weeks/year} \times 64,800 \text{ Tg/trip} = 20,217,600 \text{ Tg/year}$
2. by dump track (10m3) :  
 $2 \text{ trips/time} \times 3 \text{ times/week} \times 52 \text{ weeks/year} \times 72,400 \text{ Tg/trip} = 22,588,800 \text{ Tg/year}$

*Note: the above collection and transportation cost is included other expenses for the collection firm.*

**5 Budget allocation**

Required budget for collection and transport is in the range from 20,220,000 to 22,600,000 Tg/year

If the contract will be made for three (3) years : **say 67,800,000 Tg/contract**

(2) Other cost required

1) Employment of consultancy agent

The client is needed to employ consultancy agent who work as member of Evaluation committee.

Required cost is **\*\*\*\*\* Tg/contract**

2) Others

If any.

Required cost is **\*\*\*\*\* Tg/contract**

(3) Total required

Total cost will be

- |    |  |   |                        |
|----|--|---|------------------------|
| 1. | Waste collection and transportation cost | : | 67,800,000 Tg/contract |
| 2. | Other cost required                      | : | ***** Tg/contract      |

---

Total			<b><u>***** Tg/contract</u></b>
-------	--	--	---------------------------------

**5-3 Fee Collection**

(1) Waste collection fee for discharger

Waste collection fee for discharger 2,000 Tg/HH/month

(2) To be collected fee amount

2,000 Tg/HH/month x 1,404 HH (3.99 capita / HH) x 12 month/year x 3 years/contract =  
 101,088,000 Tg/contract

**5-4 Justification**

Implementing the project smoothly, the income amount has to be more than the expenditure.

**Income (Waste collection fee for discharger) > Expenditure (Project cost)**

In case the expenditure is more than the income, the project plan shown as below shall be reconsidered.

In principle, it is required either to reduce of expenditure or increase of income.

(1) Adjust waste collection area (Increasing income)

Reconsidering collection area to expand and its will utilize waste collection equipment as much as possible.

[For example]

In the 5-2(1), the number of trips to be conducted on a collection day for both cases (using compactor truck and dump truck) was estimated to be 2 trips/time, however based on the

*5 Budget allocation*

discharged waste amount it require 1.26 trips/time for compactor truck and 1.51 trips/time for dump truck.

Therefore expanding waste collection area to collect more waste and it makes equipment frequency as close as possible to 2 trips/ time.

In this case, expenditure is same as previous calculation however income will be increase due to expanding of the waste collection area.

**[Expenditure]**

Waste generation amount

$$7,417 \text{ capita} \times 0.312 \text{ kg/capita/day} = 2,314 \text{ kg/day} = 2.31 \text{ ton/day}$$

$$2.31 \text{ ton/day} \times 7 \text{ days/week} = 16.2 \text{ ton/week}$$

Required daily collection frequency

1. by compactor track (8m3)  
 Loading capacity is 3.24 ton/ trip  
 $16.2 \text{ ton/week} / 3 \text{ times/week} / 3.24 \text{ ton/trip} = 1.66 \text{ trip/day} \Rightarrow 2 \text{ trips/time}$
2. by dump track (10m3)  
 Loading capacity is 2.70 ton/ trip  
 $16.2 \text{ ton/week} / 3 \text{ times/week} / 2.70 \text{ ton/trip} = 2.00 \text{ trip/day} \Rightarrow 2 \text{ trip/time}$

Required collection and transport cost

1. by compactor track (8m3)  
 $2 \text{ trip/day} \times 3 \text{ days/week} \times 52 \text{ weeks/year} \times 64,800 \text{ Tg/trip} \times 3 \text{ years/ contract} = 60,652,800 \text{ Tg/contract}$
2. by dump track (10m3) :  
 $2 \text{ trips/time} \times 3 \text{ times/week} \times 52 \text{ weeks/year} \times 72,400 \text{ Tg/trip} \times 3 \text{ years/ contract} = 67,766,400 \text{ Tg/contract}$

Same amount of expenditure

**[Income]**

$$2,000 \text{ Tg/HH/month} \times 1,858 \text{ HH} (3.99 \text{ capita} / \text{HH}) \times 12 \text{ month/year} \times 3 \text{ years/contract} = 133,776,000 \text{ Tg/contract}$$

Increased income 32,688,000 Tg/contract

(2) Adjust waste collection frequency (Reducing expenditure)

Reducing waste collection frequency and its will reduce expenditure.

[For example]

In the 5-2(1), the number of trips to be conducted on a collection day for both cases (using compactor truck and dump truck) was estimated to be 2 trips/time, however based on the discharged waste amount its require 1.26 trips/time for compactor truck and 1.51 trips/time for dump truck.

Therefore reducing waste collection frequency but collect discharged waste and it make equipment



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*5 Budget allocation*

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fully utilize as close as possible to 2 trips/day.

**[Expenditure]**

Waste generation amount

5,596 capita x 0.312 kg/capita/day = 1,746 kg/day = 1.75 ton/day  
1.75 ton/day x 7 days/week = 12.25 ton/week

Required daily collection frequency

1. by compactor track (8m<sup>3</sup>)

Loading capacity is 3.24 ton/ trip

12.25 ton/week / 2 times/week / 3.24 ton/trip = **1.93** trip/time => 2 trips/time

Required collection and transport cost

1. by compactor track (8m<sup>3</sup>)

2 trip/time x 2 times/week x 52 weeks/year x 64,800 Tg/trip x 3 years/contract =

**40,435,200** Tg/contract

Reducing expenditure 20,217,600

**[Income]**

2,000 Tg/HH/month x 1,404 HH (3.99 capita / HH) x 12 month/year x 3 years/contract =  
101,088,000 Tg/contract

Same income

**D.2.2 PQ Document**

**Government of Sukhbaatar District**

**PREQUALIFICATION DOCUMENTS**

**FOR**

**The Project on Waste Collection & Transportation**

**At**

**Khoroo No 7, Sukhbaatar District**

**CONTENTS**

INVITATION TO PREQUALIFICATION

INSTRUCTION TO APPLICANTS

January 2012

Production and Service Department,  
Sukhbaatar District, Capital City of Mongolia

## INVITATION TO PREQUALIFICATION

Dear Sir and/or Madame,

On behalf of the Governor of \*\*\*\*\* District (hereinafter referred to as "the Client"), Production and Service Department (hereinafter referred to as "the PSD") informs that Mongolian or foreign legal entities or their consortium are invited to prequalification for competitive tendering for the Project on Waste Collection and Transportation at Khoroo No. 7 Sukhbaatar District which will be implemented under the Consignment Contract.

Mongolian or foreign legal entities interested in participating in the tendering are kindly requested to submit the application for prequalification and all accompanying documents, which shall be prepared in accordance with this Prequalification Documents and shall be delivered by hand to;

(Address of the Office of PSD, Sukhbaatar District)

The delivery of the application shall not be later than \*\*:\*\*(Time) Mongolian standard time on the \*\*:the day of \*\*\*\*\*, 20\*\*.

Applicants who are to be invited for the tendering will be informed in due time.

Yours respectfully,

**(Signature)**

Director of PSD

Sukhbaatar District

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## **1. INSTRUCTION TO APPLICANTS**

### **1-1 Background of the Project**

Sukhbaatar District in the Capital City of Mongolia is responsible for providing municipal and civic service, which included collection, transportation and disposal of Municipal Solid Waste generated in its jurisdiction.

Sukhbaatar District desires to establish an environmentally sound Solid Waste Management system in the city under the consignment contract.

The Governor of the Sukhbaatar District, invites Applicants for participation in the prequalification for the Project on the Waste Collection and Transportation at Khoroo 7, Sukhbaatar District (hereinafter referred to as “the Project”).

## **2. Consignment Contract**

### **2-1 Contents of Consignment Contract**

Subject to the terms and conditions to be set forth in the Consignment Contract, the Governor of the Sukhbaatar District will make consignment contract with the successful Tenderer who will be “the Consignment contractor” the Contract which consists of the rights and obligations to be exercised at Khoroo 7, Sukhbaatar District (hereinafter referred to as “the Territory”) as set forth in the Consignment Contract.

#### Obligations

1. To provide waste collection and transportation service in the Territory
2. To support the government to improvement of discharge manner

The obligations clarified as above are hereinafter referred to as “the Service”.

### **2-2 Consignment Contract Period**

A period of the Consignment granted may be one (1) year after the date of signing of the Consignment Contract.

## **3. Conditions of Prequalification**

Applicants for prequalification of the tendering shall be required to satisfy following conditions.

*Prequalification document*

---

### **3-1 Corporation nature**

Qualified tenderers shall be Mongolian or foreign legal firms or their consortium who have a capacity to provide the service in the Territory. Qualified tenderers shall be incorporated and registered under the laws of Mongolia who are controlled by Mongolian nationals.

The Qualified tenderers shall have enough capacity, which is recognized by equipment, maintenance facilities and qualified staff belonging to him, for providing the Service in the Territory and be reliance socially without any crime.

### **3-2 Financial status**

Qualified tenderer shall be in sound financial conditions. The applicants for pre-qualification shall submit business experience records, financial statements for the last three (3) consecutive fiscal years comprising balance sheets and profits and loss statements.

### **3-3 Experience of waste collection and transportation service**

Qualified tenderers shall have experience of providing waste collection services regardless of prime contracting or sub-contracting during the last five (5) years.

### **3-4 Experience of the similar works**

Qualified tenderers may submit the experience of similar works which means transportation business, construction works and recycling business.

## **4. Required Documents for Prequalification**

The applicants for prequalification shall be required to submit the following documents in duplicate, which shall be prepared in accordance with the attached forms and written in Mongolian.

The application and all accompanying documents shall be delivered by hand to the address below by the closing time specified in the Invitation to Pre-qualification of this Prequalification Documents.

- |  |          |
|--|----------|
| 1. Application Letter                                  | (Form-1) |
| 2. General Information of Applicant                    | (Form-2) |
| 3. Financial Statement                                 | (Form-3) |
| 4. List of Experiences of the Waste Collection Service | (Form-4) |
| 5. List of Experiences of the Similar Works            | (Form-5) |
| 6. Company Registration Certificate                    |          |

## **5. Notification to Applicants**

All applicants who satisfy the conditions of prequalification shall be prequalified and notified within fourteen (14) days after the closing time specified in the Invitation to Pre-qualification of this Prequalification Documents. Therefore, the Governor of Sukhbaatar District will certify every applicant qualified as a capable entity to provide waste collection and transportation service.

Unsuccessful applicants also shall be notified in the same period.

## **6. Further schedule**

The Tender Documents shall be delivered to all prequalified applicants after the around beginning (middle, end) of \*\*\*\*\*, 20\*\*. The qualified applicants shall be requested to submit the tender around beginning (middle, end) of \*\*\*\*\*, 20\*\*, Fixed schedule shall be stipulated in the Tender Documents.

## **7. Form of Prequalification**

(1) Form 1

(Letterhead of the Tenderer)

**APPLICATION LETTER**

To: Governor of ..... District

Re: The Project on Waste Collection Service at Khoroo 7, Sukhbaatar District

Dear Sir and/or Madame,

We are pleased to apply for participation in the prequalification for the captioned project, to be conducted under the consignment contract, and to submit the documents in duplicate for your review and acceptance, the documents in duplicate, which are attached hereto.

We declare that the particulars attached herein are true and correct in every detail.

(Date)... (Month)....., 20\*\*.

Yours respectfully,

(Signature)  
(Printed Name of Signer)  
(Title of Signer)  
(Name of Tenderer)  
(Address of Tenderer)

Note: Name and position of person who may be contacted for further information if required are as follows;

Name :  
Position:  
Telephone No. :  
Facsimile No. :  
e-mail Address :



(2) Form 2

**General Information of Applicant**

1. Name (legal name)
  
2. Address of the Head Office
  
3. The Specific License Granted by (name of authority), Mongolia  
License Number :  
Date of Issue :
  
4. Name of Company's Representative
  
5. Date Establishment of Applicants  
(month and year)
  
6. Full Paid-in Capital
  
7. Numbers of Employee
  - (1) Administration Staff
  - (2) Environmental Engineering Staff
  - (3) Mechanical and Electrical Engineering Staff
  - (4) Driver
  - (5) Collection Workers
  - (6) OthersTOTAL
  
8. Numbers and Type of Equipment for waste collection

Type of equipment	Date of manufacture	Number	Note
1.			
2.			
3.			
4.			

Type of Equipment: Compactor truck, Dump truck, Open truck, Hoist truck, Container, etc.

*Prequalification document*

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9. Maintenance facilities

Location of Workshop	Workshop area (m <sup>2</sup> )		Main instruments
	Area (m <sup>2</sup> )	Warm garage (m <sup>2</sup> )	
1.			
2.			

**(Signature)**  
(Name of Signer)  
(Title of Signer)  
(Name of Tenderer)

(3) Form 3

**Financial Statement**

Unit: Million Mongolian Tugruk

Item	Fiscal Year	201*	201*
1. Gross sales			
2. Gross profit			
3. Operating profit			
4. Ordinary profit			
5. Net profit before tax			
6. Current assets			
7. Fixed assets			
8. Current liabilities			
9. Share holders' equity			
10. Total of liabilities and share holders' equity			

Remarks: Gross profit = Gross sales - Cost of sales

Operation profit = Gross profit - Selling and Administration cost

Ordinary profit = Operating profit + non-operating income - non-operating expense

Net profit before tax = Ordinary profit + extraordinary income - extraordinary loss

**(Signature)**

(Name of Signer)

(Title of Signer)

(Name of Tenderer)

(4) Form 4

**List of Major Experiences**

Name of Project	Client	Country	Contract Amount (Million MNT)	Contract Period (M, Y - M, Y)	Description of the Works

**(Signature)**  
(Name of Signer)  
(Title of Signer)  
(Name of Tenderer)

(5) Form 5

**List of Experiences of the Similar Works**

Name of Project	Client	Country	Contract Amount (Million MNT)	Contract Period (M, Y - M, Y)	Description of the Works

**(Signature)**  
(Name of Signer)  
(Title of Signer)  
(Name of Tenderer)

**D.2.3 Standard Tender Form**

[Standard Tender form for waste collection service]

**Government of \*\*\*\*\* District**

Date: Day / Month / Year

*Tender Documents for the Project on Waste Collection &  
Transportation*

*At*

**Khoroo No. \*\*, \*\*\*\*\* District**

Tender selection/ Contract Name and Contract No.:\*\*\*\*\*

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## **Chapter 1. Instruction to Tenderers**

### **A. General Provision**

#### **1 Scope of tender**

1.1 The client indicated in the Chapter 2 is inviting proposals to implement the works described in the DTTS, technical specifications and the Chapter 6. The best proposal among all the submitted will be evaluated and selected based on the tender document and the contract with the name and number indicated in the Chapter 2(Data Table of Tender Selection: herein after DTTS) and Chapter 6 will be signed with the tenderer who submitted this proposal (hereinafter to be referred to as “the selected tenderer”).

1.2 The selected tenderer must complete the works in due time mentioned in the DTTS and the Special Conditions of Contract.

1.3 The works must be one package if not indicated specifically in the DTTS.

#### **2 Financial sources**

2.1 The client will finance the works mentioned above from the financial sources indicated in the DTTS.

#### **3 Deception and bribery actions**

3.1 The state official representing the client in the procurement, tenderers and contractors must comply with the high formalities or ethics when participating in procurement activities and contract implementation.

3.2 If there is any information about the officials participating in the procurement activities and the tenderers who have been involved in any of bribery, deception, behind-the-scenes agreement and intimidation, which were indicated in the Anti-bribery Law, the Law on Prohibition of Unfair Competition and the Criminal Law, it should be informed to the relevant officials or organizations properly.

#### **4 Entitled tenderer**

4.1 The tender invitation is open for any entitled tenderers. Tenderers or members of a consortium participating in the tender can be of any jurisdiction if foreign corporations are not strictly comply with the Article #9.3 of the Law on Procurement of Goods, Works and Service with the State and Local Fund.

4.2 Tenderers will be considered as unauthorized in the following cases (this also applies to every member of a consortium):

(a) If the tenderer’s capacity of payment is not sufficient or it is being dismantled, negotiated with the financiers in order to avoid bankruptcy, operations have been stopped and being in the same conditions as indicated in the laws in the country of origin;

4.2.2 If the tenderer failed payments of fees and taxes indicated in the laws of Mongolia and country of origin;

4.2.3 If it is a state owned corporation or mixed property corporations that is dependent on the

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- client;
- 4.2.4 If the tenderer did not implement or violated the contract obligations seriously and any professional misses are identified by the court or authorized organizations when participated in procurement activities for the latest three years.
- 4.2.5 If the tenderer is in shared interests with those prepared drawings of goods, works and services, technical specifications and other documents or nominated for implementing contract monitoring or consulting services.
- 4.2.6 If authorized organizations identified the tenderer's proposal as it had contained obvious false information;
- 4.2.7 If the involvement of the tenderer in bribery, deception, behind-the-scenes agreement and intimidation, which were indicated in the Anti-bribery Law, the Law on Prohibition of Unfair Competition and the Criminal Law in last three years has been identified by the court;
- 4.2.8 If the tenderer (subcontractors also included) is in shared interest with those who prepared the project drawings, technical specifications and other documents or nominated as consultant for contract management;
- 4.2.9 If the legal representative of two or more tenderers participating in the tender is one corporation;
- 4.2.10 If the tenderer submitted more than one proposal unless submission of optional proposal is allowed in the Chapter 1.16 of this tender document (However, this indication does not restrict tenderers' participation in more than one proposals as a subcontractor and submission of proposals for more than one tender packages);
- 4.2.11 **If the tenderer is operated by a legal entity with whole or partial ownership by the procuring entity and non-profit organization.**
- 4.3 The tenderer is obliged to inform the client about the conditions indicated in the Chapter 1.4.2(a) to Chapter 1.4.2.11 in written statement. The tenderer also obliged to submit any relevant proofs or documents to the client based on the client's demands in order, for the client, to verify the conditions.
- 4.4 Whether tenderers are authorized or not will be identified based on the following information and proofs. These are:
- (a) Place of registry, main types of operations, duplicated certificate of state registration that defines the tenderers' addresses or other equivalent documents issued by the state of origin;
- (b) Letter of attorney for the representative who signed for the tenderer;
- (c) If indicated in the DITS, the special permission (license) to supply the defined goods;
- (d) Decision made by the court and authorized organizations. If tenderers faced the circumstances indicated in the Chapter 1.4.2.2, Chapter 1.4.2.4, Chapter 1.4.2.6 and Chapter 1.4.2.7 of the Instructions to Tenderers, they are obliged to inform the client about the circumstances and submit the relevant decisions made by the court and authorized organizations together with their proposals.

**5 Tenderer's capacity for contract implementation**

- 5.1 All tenderers must arrange and submit the necessary information for the "Tender Form",
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- “Capacity Information” and “Tender Security Form” as indicated in the Chapter 3, and methodologies and schedules being proposed for implementation of the works together with work drawings or schedules if necessary.
- 5.2 If the client did not organize pre-qualification or if it is not differently indicated in the DTTS, all tenderers are obliged to deliver the following information as evidences that are necessary for the client to identify their capacity of contract implementation based on the requirements by the client.
- (a) Place of registry, main types of operations, duplicated certificate of state registration that defines the tenderers’ addresses, a copy duplicated from relevant originals of licenses (as for works that requires license) and letter of attorney for the bodies representing the tenderer;
  - (b) An annual financial statement that reflects data indicated in the DTTS for identification of tenderers’ financial capabilities. If it was indicated specifically in the DTTS, the statements must be certified by audit;
  - (c) Information about the experiences and capacities of main personals to be involved in contract implementation and management and technical staffs;
  - (d) List of annual budgets for construction works conducted by the tenderer for the period indicated in the DTTS;
  - (e) Information about the tenderer’s experience related to the implementation of similar works in terms of volume and work type must be presented by year, detailed information about current or planned works and addresses of customers who are able to inform about these works;
  - (f) Primary machineries and equipments proposed for implementation of the contract and their types and models;
  - (g) Evidence certifying the sufficiency in current assets for implementation of the contract (decided loan or other possible financial sources);
  - (h) Tenderers’ official statements that allow the client to request their banks to supply bank references;
  - (i) Information about lawsuits or disputes in which the tenderer has been involved recently or involved in last three years;
  - (j) If it is not indicated specifically in the DTTS, tenderers who contracts out the works with amount of more than 10% of the total contract amount to subcontractors are considered as partnership; and thus, the information about the subcontractors must also submitted. Works to be contracted out must be reflected in the proposal. The maximum budget of works that can be contracted out to subcontractors will be indicated in the DTTS.
- 5.3 Tenderers must satisfy the following minimum capacity requirements in order to implement the contract indicated in the Chapter 1.1 of the Instructions to Tenderers. These are:
- (a) The arithmetical average of annual budget of the works conducted by the tenderer throughout the period indicated in the DTTS must not be less than the amount indicated in the DTTS;
  - (b) Work experience as the main contractor for works (similar to the contract of concern) implemented in the last year of the period indicated in the DTTS (in order to meet this requirement, at least 70% of the nominal amount of the works must be implemented);
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- (c) Proposal to arrange or secure the availability of the primary machineries and equipments indicated in the DTTS in due time (own equipments or arranging by means of rental etc. should be indicated);
  - (d) Employment of an engineer has experience of similar works to that of the contract for a period not less than that indicated in the DTTS. And she/he must have been in charge of contract for years not less than those identified in the DTTS;
  - (e) Liquid assets and amount of expected loans excluding assets to be used or being used for implementation of other contracts and advance payment to be done in accordance with this contract must not be less than the amount indicated in the DTTS;
- 5.4 As for a partnership participating in the tender, the indicators of each member of the partnership will be added in order to identify whether the minimum capacity indicators indicated in the Chapter 1.5.3(a) and Chapter 1.5.3(e). However, each member must satisfy at least 25% of minimum requirements of Chapter 1.5.3(a), Chapter 1.5.3(b) and Chapter 1.5.3(e) while the representing member must satisfy at least 40% of the same requirements. If these conditions are not met, the partnership will be considered as unsatisfactory and rejected from the tender. In order to identify satisfaction of the minimum capacity requirements of the Chapter 1.5.3(b), Chapter 1.5.3(c) and Chapter 1.5.3(d), ability of each member must be considered together.
- 5.5 When identifying tenderers' satisfaction of minimum capacity requirements, experiences and financial capabilities of their subcontractors will not be considered. However, if works undertaken by contractors require license, the subcontractor must possess the proper one.
- 5.6 If a tenderer wants to get 7.5% of preferential rights in tender evaluation, the tenderer must be a domestic legal entity (Mongolian entity), more than 50% of its equity must be invested by Mongolian citizens and proofs certifying that more than 50% of the works will be implemented by this entity must be submitted.

**6 Partnership to participate in the tender**

- 6.1 If a tenderer is constituted by two or more legal entities based on a collaboration contract (to be referred to as "partnership" for the parties together and "member of partnership" for each party), the following requirements must be satisfied unless it was indicated in the DTTS differently:
- (a) Information of each member indicated in the Chapter 1.5.2 of this Instruction to Tenderers must be submitted together with the proposal;
  - (b) In order to validate the proposal, all members must signed the proposal;
  - (c) The collaboration contract must have defined independent and joint liabilities undertaken by each members regarding the implementation of the contract mentioned in the Chapter 1.1.1 of the Instructions to Tenderers;
  - (d) A member must be appointed with the authority to take responsibilities, receive instructions and making payments on behalf of the other members;
  - (e) The collaboration contract must regulate that the authorized member will be the subject to which payments must be made and overall implementation of the contract will be discussed;
  - (f) A copy of the collaboration contract, i.e. the partnership contract, must be submitted together with the proposal
-

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**7 Cost for participation in the tender**

7.1 Tenderers will bear all costs related to preparation and submission of their proposals by themselves. The client will not be liable for any of these costs in any circumstances.

**8 On-site survey**

8.1 Tenderers are allowed to conduct on-site survey at the worksite and collect information about its location and conditions of the environment that is useful for preparation of their proposals and establishment of contract. The tenderers must bear all the costs related to the on-site survey.

**B. Contents of the Tender Document**

**9 Contents of the tender document**

9.1 The tender document will consist of following 7 chapters and amendments made in accordance with the Chapter 1.12 of Instruction to Tenderers.

Chapter 1. Instructions to Tenderers

Chapter 2. Data table for tender selection (DTTS)

Chapter 3. Tender Selection Forms (TSF)

Chapter 4. Technical Specification

Chapter 5. General Conditions of Contract (GCC)

Chapter 6. Special Conditions of Contract (SCC)

Chapter 7. Contract Forms

9.2 The tender invitation published by the client will not be a part of the tender document.

9.3 The client will not be liable for any incorrect or missing information in the tender document and its amendments if tenderers do not receive these documents directly from the client.

9.4 Tenderers are advised to check all the instructions, conditions, necessary forms and the technical specifications included in the tender documents. It may become a basis of proposal rejection if they do not contain information and materials required by the tender document.

**10 Clarification of the tender document**

10.1 If entities interested in the tender need clarification about the tender document, they should send their written request of clarification to the address of the client indicated in the DTTS through mail, telex and fax. The client will respond to only requests received until the date indicated in the DTTS. The contents of requests and the clients' responses must be informed to all tenderers who purchased the tender document in writing or through telephone without mentioning the names of the requested tenderers simultaneously.

10.2 If the client considers amending the tender document based on the results of the clarifications, the amendment will be made in compliance with Chapter 1.12 and the Chapter 1.20.2 of the Instructions to Tenderers.

**11 Meeting before the submission of proposals**

11.1 If the DTTS requires organization of a meeting before the submission of proposals, entities

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interested in the tender and their representatives will be invited. The purpose of the meeting will be clarifications of problems which may arise during the preparation of proposals and responses to questions to be raised by the invitees.

- 11.2 Tenderers are allowed to deliver their questions in written statements before the organization of the meeting.
- 11.3 The records of the meeting containing these questions with the relevant answers without containing the information about the questioner and other relevant information prepared after the meeting will be delivered to all the entities that purchased the tender document in writing or through telephone simultaneously.
- 11.4 Necessary amendments in the tender document, which are decided by the client based on the results of the meeting, will be made in compliance with Chapter 1.12 and the Chapter 1.20.2 of the Instructions to Tenderers.
- 11.5 Restricting tenderers rights to participate in the tender based on their no attendance in the meeting is prohibited.

**12 Amendments of the tender document**

- 12.1 The client is allowed to amend the tender document before the deadline for proposal receipt.
- 12.2 The amendments will be inseparable part of the tender document and they must be informed to all tenderers who purchased the tender document in written statement or through telephone simultaneously. Tenderers are obliged to report the receipt of each amendment to the client through telephone.
- 12.3 The client is allowed to extend the deadline for proposal receipt in accordance with the Chapter 1.20.2 of the Instructions to Tenderers in order to provide tenderers with the opportunity to consider the amendments of the tender document when preparing their proposals, if necessary.

**C. Preparation of Proposals**

**13 Language of Proposal**

- 13.1 Proposal, official letters and other documents exchanged between the client and tenderers related to the tender must be prepared in accordance with the Instructions to Tenderers. All relevant documents will be prepared in Mongolian language or in the language indicated in the DTTS if foreign entities are allowed to participate in the procurement.
- 13.2 Documents attached to the proposal or documents published before are allowed to be in other language; however, tenderers are obliged to translate relevant parts of these documents into the language of tender and submit them together with the originals. The translations will be considered in the tender evaluation.

**14 Proposal Components**

- 14.1 The proposal must consist of the following items:
    - (a) The proposal prepared in accordance with the form indicated in the Chapter 1.15 of the Instructions to Tenderers;
    - (b) The evaluated phased work schedule to be prepared in accordance with the Chapter 1.15
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and Chapter 1.17 of the Instructions to Tenderers;

- (c) Tender security required by the client and indicated in the Chapter 1.21 of the Instruction to Tenderers;
- (d) Certified signatures of the representatives who signs proposals on behalf of tenderers and the letter of attorney as indicated in the Chapter 1.22 of the Instructions to Tenderers;
- (e) Evidences indicated in the Chapter 1.4 of the Instructions to Tenderers necessary to identify the entitlement of the tenderer;
- (f) Evidences indicated in the Chapter 1.5 of the Instructions to Tenderers necessary to identify the tenderer's capacities to implement the contract;
- (g) Technical proposal to be prepared in compliance with the Chapter 1.19 of the Instructions to Tenderers;
- (h) Optional proposal if the client indicates in the Article of the Instructions to Tenderers; and
- (i) Other materials indicated in the Instructions to Tenderers and the DTTS.

**15 Tender form and work schedule**

- 15.1 Tenderers must prepare and submit their proposal and evaluated phased work schedule using the relevant prototype forms presented in the Chapter 4. Any modifications and omissions of words and meanings of the sentences written in the prototype forms are prohibited. Every cells of the form must be filled.

**16 Optional proposal**

- 16.1 In other cases that the optional proposal is allowed in the DTTS, tenderers must submit only one proposal that satisfies the requirements of the tender document and submission of optional proposal is not allowed.

**17 Tender price and price discount**

- 17.1 The tender price and the evaluated phased work schedule being proposed by the tenderer must meet the following requirements;
- 17.2 Tender price must be based on the phased work schedule evaluated by the tenderers themselves and cover the total cost of the contract works defined in the Chapter 1.1.1 in the Instructions to Tenderers;
- 17.3 When evaluating works defined in the technical specifications and relevant drawings, tenderers must set unit and total prices for each work classification specified briefly in the phased work schedule. If unit and total prices for any of the work classifications are not filled, the client will not make the payment for the implementation of the relevant jobs since this will be considered as included in prices for other jobs;
- 17.4 The price filled in the tender form must be an undiscounted total price offered for the tender;
- 17.5 Tenderers must reflect an unconditional price discount and its calculation mythology in the proposal submission form;
- 17.6 All the taxes and fees to be paid by the contractor in accordance with this contract and other basis must be included in the tender price based on the laws to be valid as of the date 14 days



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before the deadline for proposal receipt. Tenderers must fill unit and total price for each work classification together with the grand total in the price form by each items specified in the phased work schedule;

- 17.7 Please refer to the Chapter 1.1.3 of the Instruction to Tenderers for information about the tender packages. If tender packages were indicated, a tenderer is allowed to submit proposals for more than one package. Submission of proposal for a part of one package is prohibited.
- 17.8 Tender price proposed by tenderers will be fixed throughout the implementation of the contract unless specific indication for adjustment of the contract price is included in the DTTS. Any proposal offering adjustment of contract price will be considered as an unsatisfied proposal and rejected in compliance with the Article #30 of the Instructions to Tenderers. However, a fixed price will not be rejected when adjustment of the contract price is allowed. In this case, the adjustment for this price will be considered as zero (“0”).
- 17.9 If adjustment of contract price is indicated, the price specified in the phased work schedule will be adjusted in accordance with the conditions and the methodology indicated in the Article Chapter 5.44 of the General Conditions of Contract. Tenderers must submit all required information defined in the Article Chapter 5.44 of the General Condition and the Special Condition of Contract together with their proposals.

**18 Currencies of Tender and Payment**

- 18.1 The currency of tender shall be Mongolian Tg (TUGRUK). Tenderers is allowed to reflect some part of the tender price related to purchase of goods and services that are not produced in Mongolia in other currencies as long as the client permits in the DTTS. In this case, the currencies will be converted into Tg based on the exchange rates announced by Mongol bank on the day of the tender announcement and considered in the evaluation. During the implementation of the contract, all payments by the client to the contractor will be made in Tg and the amounts will be calculated using the above mentioned exchange rates.

**19 Components of Technical Proposal**

- 19.1 Tenderers will prepare and submit the technical proposal consisting of implementation methods, equipments, labor force, work schedule and figure showing the compliance of the work performance and the implementation period with the client’s requirements in accordance with the form indicated in the Chapter 3 of the tender document together with the other information.

**20 Tender Validity Period**

- 20.1 Tenders or proposals should be valid for the period specified by the client in the DTTS starting from the date of tender opening which was stated in the Chapter 1.27 of the Instructions to Tenderers. If the tender validity period proposed by tenderers in the tender form is shorter than that set by the client, their proposals are considered as unsatisfied the basic requirements and rejected by the client.
- 20.2 If the tender validity period was decided to extend due to an emergency, the client would request all the tenderers to extend the validity period to be proposed by them. The request and the reply about the extension of the tender validity period will be made in written statements or through telecommunications. Tenderers are authorized to decline the tender and to be paid the tender security back. Proposing tenderers who accept the request of extension to change the content of their proposals or permitting them to do so are prohibited. The tenderers who accepted the request will extend their tender security validity period by the period stated in the Chapter 1.21 in compliance with the same Article.
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**21 Tender Security**

- 21.1 Tenderers must deliver the tender security that equals to the amount stated in the DTTS if required to by the DTTS.
- 21.2 The tender securities will be those issued by domestic or foreign reliable banks. The tender security will be prepared and submitted in the forms stated in the Chapter 4 or permitted by the client in advance. It should be valid for 38 days since the completion date of the tender validity period.
- 21.3 The original copy of the tender security must be submitted. Any duplicate copy of the tender security will not be accepted.
- 21.4 As for partnerships, only person authorized to represent the partnership must deliver the tender security.
- 21.5 Any tenders or proposals without the tender security, which satisfy the requirements of the Chapter 1.21 in the Instructions to Tenderers, will be considered as unsatisfied and rejected.
- 21.6 The client will invalidate the tender securities submitted by tenderers whose proposal was not selected within 28 days since the completion date of the tender validity period indicated in the Chapter 1.20.1 of the Instructions to Tenderers.
- 21.7 As for the tender security of the selected tenderer, the client will invalidate at the time of receipt of the performance security based on the Chapter 1.38 after signing the contract in accordance with the Chapter 1.37.
- 21.8 Tender securities will become the state property in the following cases:
- (a) Tenderer withdrew the proposal or submitted its intention of withdrawal in a written statement after the tender opening, but before the end date of its tender validity period;
  - (b) Tenderer did not accept the adjustment of the tender price that was made in compliance with the Chapter 1.31.2 and the circumstance stated in the Chapter 1.35.2 of the Instructions to Tenderer occurred.
  - (c) If the selected tenderer did not implement the following in due time:
    - 1. Signing the contract in accordance with the Chapter 1.37; and
    - 2. Submission of performance security in accordance with the Chapter 1.38.

**22 Copies of Proposal to be Submitted and Signing the Contract**

- 22.1 Tenderers must arrange the originals of the proposal components indicated in the Chapter 1.14 and specify it writing "Original" onto it. In addition to this, the tenderers must prepare necessary number of duplicate copies that was indicated in the DTTS and specify them writing "Duplicate" onto them. If the original and duplicate copies contradict, the original will be followed.
- 22.2 The original and duplicate copies will be printed and certified by the signature of the person authorized to represent the tenderer.
- 22.3 Any corrections or additions must not be made in proposals if they are not for the purpose to adapt the client's instructions or correct errors based on necessities. If corrections and additions are made, they will be accepted as valid as long as the above-mentioned authorized representative certifies with his/her signature.
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**D. Submission of Proposal**

**23 Sealing and marking proposals**

- 23.1 Tenderers must prepare their proposals in writing and deliver it to the client via mail, by himself or via his representative.
- 23.2 The original and duplicates of the proposals will be put into separate envelopes (inner) marked as “Original copy” and “Duplicate copy” respectively, sealed, put into outer envelopes and sealed again. Enveloping and sealing the proposal must be done in accordance with the Chapter 1.23.3 and Chapter 1.23.4 of the Instructions to Tenderers.
- 23.3 Requirements for the inner and outer envelopes are the following:
- (a) Tenderer’s name and address must be printed onto the envelop;
  - (b) Addressed to the client as indicated in the DTTS and the Chapter 1.1.1 of the Instructions to Tenderer;
  - (c) The name and the code of the tender selection defined in the DTTS and the Chapter 1.1.1 of the Instructions to Tenderer must be clearly written in order to distinguish the tender selection from the others;
  - (d) The note “Opening is prohibited until (date indicated in the Chapter 1.27.1 of the Instructions to Tenderers)” must be written.
- 23.4 If proposals are delivered to wrong address or opened before the tender opening due to the failure of requirements stated in the Chapter 1.23.3, the client will not be liable.
- 23.5 The client must not accept any proposals submitted in other means than those mentioned in the Article Chapter 1.32.1 of the Instructions to Tenderers (i.e., submitted by email or fax) based on the Article 27.2 of the Law on Procurement of Goods, Works and Services with State and Local Fund and return the proposals back to the senders.

**24 Deadline for proposal receipt**

- 24.1 The client must receive proposals at the place of address specified in the Chapter 1.23.2 of the Instructions to Tenderers on the date before the time indicated in the DTTS.
- 24.2 If the client extended the deadline due to the amendments in the tender document made in accordance with the Chapter 1.12 of the Instructions to Tenderers, rights and obligations of the client and the tenderers will continue valid for the period of extension.

**25 Proposals submitted after the deadline**

- 25.1 The client must reject any proposals submitted after the deadline stated in the Chapter 1.24 announcing them and return them without opening.

**26 Amendment and withdrawal of proposals**

- 26.1 Tenderers are allowed to amend, replace and withdraw their proposals before the date of deadline set for the proposal receipt if they informed the client in written statement.
- 26.2 The written statement mentioned in Chapter 1.26.1 must be prepared in accordance with the
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Chapter 1.23 of the Instructions to Tenderers. After writing the purpose of the statement (“About amendment of the proposal”, “About replacement of the proposal” and “About withdrawal of the proposal”) on both inner and outer envelopes, it should be submitted to the client in accordance with the Chapter 1.24 of the Instructions to Tenderers. Statement of proposal withdrawal can be done by telephone; however, the written statement certified by stamped signature must be submitted before the date of deadline set for the proposal receipt.

- 26.3 Amendments after the deadline for the proposal receipt are prohibited.
- 26.4 The initial proposal submitted by the tenderers who requested for proposal withdrawal will be returned back to the tenderers without opening in compliance with the Chapter 1.26.2 of the Instructions to Tenderers.
- 26.5 Withdrawal of proposals by tenderers during the tender validity periods can become a basis to confiscate their tender security based on the Chapter 1.21.8(a) of the Instructions to Tenderers.

**E. Tender Opening and Evaluation**

**27 Tender opening**

- 27.1 The client organize tender opening at the place in due date and time indicated in the DTTS. Tenderers’ representatives are authorized to attend the tender opening; and if do so, the representative are obliged to sign the tender opening form.
- 27.2 First, the client must open the envelope marked as “about the withdrawal of the proposal”, announce the withdrawal requests and return the relevant proposals without opening. If the person signed the request of withdrawal did not supply certified signatures and a letter of attorney that are necessary to identify him or her as the authorized representative for the tenderer, proposal return is prohibited. The client should open and announce the proposal. Next, the client must open the envelope marked as “about the replacement of the proposal”, announce the requests and return the submitted initial proposals back to the tenderers who made the requests without opening. The envelope marked as “About amendments of proposal” together with the relevant proposals are opened and announced. If tenderers do not confirm the signatures on the requests of proposal replacement or proposal amendments as those signed by their authorized representatives by relevant statements, replacements or amendments of the proposals are prohibited. The submitted initial proposals will be opened and announced to attendants.
- 27.3 During tender opening, name of tenderers, tender price, price discount (if proposed), price of optional tender/proposal (if permitted), presence of tender security (if required), updated information relevant to those mentioned above if the proposal was amended and other information considered necessary by the client must be announced and recorded. Tender prices, price discounts and optional tenders shall not be considered in tender evaluation.
- 27.4 The client shall prepare the tender opening record and the following information must be included in the record:
  - (a) Name of tenderers, the information whether withdrawal, amendment and replacement of proposal are made by the tenderers;
  - (b) Tender price and proposed price discount (price of optional tender if permitted). If necessary, this information must be recorded by each tender package; and
  - (c) Presence of tender security if required by the client
- 27.5 Rejection of proposals other than those submitted after the deadline is prohibited.

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**28 Confidence**

- 28.1 Leaking information related to examination, clarification, evaluation and comparison of proposals and the recommendation on grant of contract rights to tenderers and other parties irrelevant to the tender selection activities is prohibited until the contract rights is awarded.
- 28.2 Any attempts by tenderers to influence the decision about the grant of contract rights during examination, evaluation and comparison of proposals can be considered as a basis to reject the proposal of these tenderers.
- 28.3 The client and the tenderers must communicate to each other only in writing throughout the period from tender opening to granting contract rights.

**29 Proposal Clarification**

- 29.1 The client is allowed to request the tenderers to submit clarification about their proposal during the examination, evaluation and comparison of proposals. This request and the reply must be made in writing. However, any requests or recommendations for changes in the content of the proposal and the tender price other than those related to the correction of arithmetical errors identified by the client are not allowed.

**30 Proposal examination and identification of requirement satisfaction**

- 30.1 Before the conduct of thorough examination in proposals, the state of satisfaction of the following requirements must be verified:
- (a) Tenderer's qualifications indicated in the Chapter 1.4 of the Instructions to Tenderers;
  - (b) Presence of confirmation signatures on the proposal;
  - (c) Presence of required security prepared in due form;
  - (d) Satisfaction of other requirements indicated in the tender document;
  - (e) Tenderer's satisfaction of acceptable lowest capacity set for the implementation of the contract that indicated in the Article #4 of the Instructions to Tenderer; and
  - (f) Satisfaction of other requirements necessary for implementation of the works
- 30.2 If a proposal satisfies the requirements of the indications in the Chapter 1.20.1 of the Instruction to Tenderers, the proposal will be considered as satisfied.
- 30.3 A satisfied proposal is the one that met the conditions and requirements of the tender document, especially those related to the tenderer's capacities for production and contract implementation and technical specifications, and the proposal that satisfied the volume of work without tangible difference. The following are considered as tangible differences:
- (a) Scope and quality of the work defined in the technical specifications and contract conditions and performance might be affected;
  - (b) Restrictions noncompliant to the tender document made in the rights of the client and the obligations of the tenderers; and
  - (c) Acceptance and correction of proposals with difference than the requirements of the tender documents might affect the competence of other satisfied proposals.
- 30.4 The client must reject the proposal identified as non-satisfied. Tenderers are not allowed to
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revise these proposals in order to make them satisfied.

**31 Correction of errors**

- 31.1 The client shall check the arithmetical errors in the satisfied proposals and correct errors in the following manner:
- (a) If amounts of a same item expressed in digits and letters differ, that expressed in letters will be considered as correct;
  - (b) The addition of total prices of assortments differs from the total tender price indicated in the tender form, the total tender price will be corrected based on the addition of the total prices of assortments;
  - (c) If a total price of an assortment do not match the result of multiplying its unit price by the quantity, the total price of the assortment will be corrected based on its unit price. However, as client considers, dots in unit prices are obviously mistaken, the total price in that row will be considered as correct and the unit price will be corrected.
- 31.2 If the price of the best evaluated proposal needs corrections, the client shall inform the tenderer and confirm the tenderer's acceptance with a written statement.

**32 Conversion into a Single Currency**

- 32.1 In order to evaluate and compare proposals, the tender prices will be converted into the currency indicated in the Chapter 1.18.1 of the Instructions to Tenderers. In this case, the client should evaluate and compare the proposals after converting the prices into TUGRUG based on the exchange rates announced by Mongol bank on the day of tender announcement. As for the goods, works and services to be procured by the state and local fund, payments by the client to the contractor must be made in TUGRUG during the contract implementation period; and therefore, offered tender prices expressed in currencies other than TUGRUG must be converted into TUGRUG using the exchange rates that were announced by Mongol bank on the same day with that of the tender announcement.

**33 Consideration of preferential rights for domestic tenderers**

- 33.1 In other cases than the client specified in the DTTS, preferential rights for the proposal offering goods originated in Mongolia will not be considered when evaluating or comparing it with those offering other goods.

**34 Evaluation and comparison of proposals**

- 34.1 The client must evaluate and compare only proposals that were identified as satisfied after examining them in accordance with the Chapter 1.30.
- 34.2 When evaluating tenders, the client will adjust the prices of the proposals, which were announced in accordance with the Chapter 1.25 of the Instructions to Tenderers, through the following procedures and identify the prices to be compared.
- (a) To correct errors based on the indications of the Chapter 1.31.1 of the Instructions to Tenderers;
  - (b) To subtract the amount of contingency costs filled in the evaluated phased work schedule (However, the work-day costs proposed by the tenderer based on the client's requirement will not be subtracted);

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- (c) To reflect the amendments proposed by the tenderer in conformity with the indication of the Chapter 1.26.4 of Instruction to Tenderers and price discount;
  - (d) To convert the total tender price, which reflects the adjustment, the amendments and the price discount made in accordance with the (a), (b) and (c), into the currency stated in the Chapter 1.16 of the Instructions to Tenderers as instructed in the Chapter 1.30.
  - (e) To calculate and reflect the monetary value of the omitted items into the tender price in the case that the client considers the omitted items as intangible or small imparities;
  - (f) To calculate items defined in the Chapter 1.35.2 of the Instructions to Tenderers as factors of consideration in the evaluation using the relevant methodologies and reflect the result into the tender price;
  - (g) To apply the imparity of preferential rights if indicated specifically in the Chapter 1.33.1 of the Instructions to Tenderers
- 34.3 The client is authorized to accept or reject any amendments, imparities and optional proposal. When evaluating proposals, the client shall not consider a state of over satisfaction of the requirements of the tender document or amendments, imparities and optional proposals that offer any merits other than those indicated in the requirements of the tender document.
- 34.4 The client will not consider the following factors in evaluation unless it was specified in the DTTS:
- (a) Contract and commercial imparities:
  - (b) Costs of every item omitted or proposed differently from the commercial terms and contract conditions will be estimated and considered in the evaluation.
  - (c) Implementation period of the works:  
  
The works of this tender document must be implemented in accordance with the work implementation schedule defined in the technical specifications and completed within the period specified. The tender price must be based on this schedule. A proposal offering completion earlier than the date specified in the schedule will not be awarded. At the same time, proposals offering late implementation will not be rejected; however, their tender prices must be increased by the percent indicated in DTTS for each day excceded the date of the schedule as a consideration of evaluation. If offered completion date is more than a month later than that indicated in DTTS, the proposal will be rejected.
  - (d) Imparity of payment schedule  
  
The proposals offering different payment schedule from that included in the special conditions of the contract will not be rejected. In order to reflect the imparity in the evaluation, an interest will be estimated from the amount to be paid before the date of the payment schedule with the percent indicated in the DTTS and added to the tender price.
- 34.5 If the work is divided into two or more packages in the Chapter 1.1.3 of the Instructions to Tenderers, the client must do the evaluation in the following manner.
- (a) The proposal with the lowest price will be determined by evaluating each package in accordance with the Chapter 1.34.1 to Chapter 1.34.3 of the Instruction to Tenderers;
  - (b) If contract rights are granted for more than two packages, discount of conditional price will be estimated for the proposal that offered this kind of discount;
  - (c) After completing the above mentioned evaluations, the client will estimate options to grant
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the contract rights for one, several and all packages and select the most efficient options;

- (d) If contract rights are granted to one tenderer for more than two packages, the tenderer's capacity for contract implementation will be re-examined. If the capacity does not satisfy the relevant requirements, the tenderer will be granted the contract rights for the packages which the tenderer's capacity matches.

- 34.6 The proposal with the lowest comparable price will be selected for the best evaluated proposal after evaluating all satisfied proposals in accordance with the Chapter 1.34.2, Chapter 1.34.3 and Chapter 1.34.5 of the Instructions to Tenderers. The optional proposal of the best evaluated main proposal satisfied the higher requirements than the main proposal its optional proposal will be selected.

**F. Granting Contract Rights**

**35 Requirements for Granting Contract Rights**

- 35.1 The client shall grant the contract rights to the tenderer whose proposal was evaluated as the best evaluated proposal in accordance with the Chapter 1.34.6.
- 35.2 If the tenderer did not accept arithmetical corrections made by the client in accordance with the indications of the Chapter 1.31 of the Instruction to Tenderers or failed to submit the written statement, the client shall reject his proposal, confiscate its tender security as state property based on the Chapter 1.21.8(b) and grant the contract rights to the tenderer who submitted the next best evaluated proposal in compliance with the Article #29.3 of the Law on Procurement of Goods, Works and Services with the State and Local Fund.

**36 Statement of Contract Rights Grant**

- 36.1 The client should deliver a written statement of contract rights grant to all the tenderers including the selected tenderer simultaneously before the end of the tender validity period. In the statement, the contract price or the payment for the works to be implemented in accordance with the contract must be indicated. The contract price must be the tender price that reflects the adjustments and the price discounts (also conditional price discounts).
- 36.2 Signing the contract within 5 weekdays after the delivery of the written statement to all the tenderers is prohibited. Violating this Article will be the basis to consider the established contract as invalid according to the Article #42.1.2 of the Law on Procurement of Goods, Works and Service with State and Local Fund.
- 36.3 The statements of contract rights grant will the basis to establish the contract. By delivering the statement, it is considered that a deal was made between the client and the tenderers granted with the contract rights until the receipt of the performance security (as indicated in the Chapter 1.38) and signing the contracts (as indicated in the Chapter 1.37).
- 36.4 The client must publish the tender name and the No. of package onto the website [www.e-procurement.mn](http://www.e-procurement.mn), the official procurement site for the Government of Mongolia, together with the following information:
- (a) Names of all tenderers who submitted proposals;
  - (b) Tender prices announced at the time of tender opening;
  - (c) Name of the proposals covered by the thorough evaluation;



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- (d) Name of the tenderers whose proposals were rejected and the reasons for the rejections;
- (e) Name of the selected tenderer, offered price and approved contract amount (translator: price?)

36.5 After the delivery of the statement of contract rights grant, unselected tenderers are authorized to submit letter of request for the reasons for the rejections of their proposals. If this kind of requests is made, the client must respond to it in a written statement.

36.6 After the selected tenderer delivers its performance security in accordance with the Chapter 1.38 of the Instruction to Tenderers and signs the contract, the client informs the other tenderers about the invalidation of their tender security in compliance with the Chapter 1.21.6 of the Instructions to Tenderers.

**37 Signing Contract**

37.1 The client will send the contract form and an agreement reflecting all the negotiated conditions together with the statement of contract rights grant to the selected tenderer.

37.2 The selected tenderer should sign the contract immediately after the delivery of his performance security.

**38 Performance Security**

38.1 The selected tenderer is authorized not to deliver performance security if it is not indicated specifically in the DTTS. The performance security with the amount indicated in the special conditions of the contract will be prepared in the same form of the DTTS and delivered to the client in accordance with the contract conditions within 21 days after the receipt of the statement of contract grant.

38.2 The performance security must be prepared by:

- (a) A bank located in Mongolia or a Mongolia-located customer bank of a foreign bank which the tenderer selected, or
- (b) Foreign banks accepted by the client.

38.3 Failure by the selected tenderer in satisfaction of the requirements indicates in the Chapter 1.38.1 of the Instruction to Tenderers will be the sufficient basis to cancel the granted contract rights and to confiscate the tender security.

Chapter 2 Data table for tender selection (DTTS)

## Chapter 2. Data table for tender selection (DTTS)

The purpose of the following data on the works defined in the tender document is to clarify or modify the relevant provisions and Articles of the Instructions to Tenderers. If the data contradict those in the Instructions to Tenderers, the data in the DTTS will be considered as correct.

Relevant Articles of the Instructions to Tenderers (IT)	Contents
<b>A. General Provision</b>	
Chapter 1.1.1	The client: <i>Governor of ***** District, Ulaanbaatar City</i> Address <i>*****, ***** District, Ulaanbaatar City</i>
Chapter 1.1.1	The brief name and determination of the works or the contract: <i>The Project on Waste Collection and Transportation at Khoroo No. **, in ***** District</i>
Chapter 1.1.1	The name of the open tender and the distinctive <i>No.: *****</i>
Chapter 1.1.2	Implementation period of the works: <i>[Specify the date From **** to ****]</i>
Chapter 1.1.3	The tender selection consists of the packages with the following names and No(s): <i>There is no separated package.</i>
Chapter 1.2.1	Financial sources: <i>Government of *****District</i>
Chapter 1.4.4(c)	Indication of necessities of special permission (license) in order to implement the specified works: <i>No license and special permission are required.</i>
Chapter 1.5.2	Tenderers must submit the following additional evidences or materials necessary to identify the tenderers' capacities for contract implementation together with their proposals: <i>Waste collection equipments list together with manufacture year, current operational condition.</i>
Chapter 1.5.2(b)	Years for financial statements necessary to submit: <i>3years from year **** to year ****</i> Necessity of audited financial statements: <i>Necessary</i>
Chapter 1.5.2(d)	Years and the No. of years for the list of annual monetary value of construction works to be submitted: <i>3years from year ****to year****</i>
Chapter 1.5.2(e)	No. of years for the information to be submitted for identification of similar works experience: <i>5years from year**** to year ****</i>
Chapter 1.5.2(i)	Tenderers are authorized to contract <u>10</u> percent of the contract price out to subcontractors. If more than the specified percent is implemented by a third party, the tenderers must establish a consortium and submit the relevant partnership contract together with their proposals. The other requirements of the Instructions to Tenderers must be met.

Chapter 2 Data table for tender selection (DTTS)

Relevant Articles of the Instructions to Tenderers (IT)	Contents
Chapter 1.5.3(a)	The No. of years, the total annual monetary values of <i>waste collection and transport</i> works implemented during which must be averaged: <u>Last 2 years</u> The average of the total annual monetary values of <i>waste collection and transport</i> works performance is not less than <u>50% of the total annual payment to be made by the client as financing of the contract</u>
Chapter 1.5.3(b)	The No. of years, during which similar works were implemented: <u>Last 2 years</u>
Chapter 1.5.3(c)	Main equipments and machineries necessary for tenderers to implement the contract: <u>(Example)</u> <u>At least one unit of Dump truck (capacity range from 6m<sup>3</sup> to 10m<sup>3</sup>)</u> <u>At least one unit of Compactor truck (capacity range from 4m<sup>3</sup> to 15m<sup>3</sup>)</u>
Chapter 1.5.3(d)	The No. of years, during which general engineers of tenderers experienced (worked for) the works similar to the contract in terms of work type and amount of budget: <u>Not required</u> Among the above, the No. of years when the engineer was fully responsible for the contract: <u>Not required</u>
Chapter 1.5.3(e)	The total amount of liquid assets and expected loan <sup>1</sup> : <u>** ** ** ** Tg</u>
Chapter 1.6.1	Members of a consortium must satisfy the following additional requirements. These are: <u>Not required</u>
<b>B. Tender Document</b>	
Chapter 1.10.1	The address to which the tenderers refer for clarification related to the tender document: <u>Person in charge: Mr/Ms. *****</u> <u>Address: ***** ***** District office, Ulaanbaatar City</u> <u>Telephone no: *****</u> The deadline for receiving requests of clarification should be <u>Month day, year</u>
Chapter 1.11.1	Organization of the meeting before submission of proposal: <u>No</u>
<b>C. Preparation of Proposal</b>	
Chapter 1.13.1	If foreign entities are authorized to participate in the tender, the language of proposal must be the following language: <u>Mongolian</u>
Chapter 1.14.1(h)	Tenderers must submit the following additional materials in their proposals: <u>Not required</u>
Chapter 1.16.1	Submission of optional proposals is <u>allowed</u> .
Chapter 1.17.8	The price offered by tenderers <u>will not be adjusted</u> during the implementation of the contract.
Chapter 1.18.1	Tender currency: <u>Mongolian Tugruk (Tg)</u>
Chapter 1.20.1	The tender validity period will be <u>60 days</u> since the tender opening.

<sup>1</sup> "Expected loan" stands for special drawing rights, official statement of bank loan grant etc.

Chapter 2 Data table for tender selection (DTTS)

Relevant Articles of the Instructions to Tenderers (IT)	Contents
Chapter 1.21.1	[Leave one of the following options] (a) Tender security is unnecessary; or (b) Tender security is necessary and it should be prepared based on the appropriate form indicated in the Chapter III or the tender prototype form and submitted together with proposals.
Chapter 1.21.1	The amount of tender security: [specify in per cent or fill the amount that equals to 1 to 2% of the total budget]
Chapter 1.22.1	Number of duplicate copies to be submitted together with the original copy of the proposal: <i>2 copies</i>
<b>D. Submission of Proposals</b>	
Chapter 1.23.3(b)	The address for receipt of proposals: Person in charge of the receipt: <i>Mr./Ms. *****</i> Address of the organization: <i>Khoroo ** ***** District (Governmental office of ***** District)</i> No. of the floor and the room: <i>Room**, ***Floor</i> City and aimag: <i>***** District, Ulaanbaatar City</i> Zip or postal code: <i>*****</i> Country: <i>Mongolia</i>
Chapter 1.23.3(c)	The following titles and No. of tender selection must be written on both of the inner and outer envelopes for smooth identification: [specify the name of the tender selection and the identification No. to be written on the envelopes].
Chapter 1.24.1	The deadline for proposal receipt: Date: [specify the day, month and year. (For example: 8 Nov 2011)] Time: [specify the hour and minute. (For example: 15:30 etc)]
<b>E. Opening and Evaluation of Proposals</b>	
Chapter 1.27.1	The address of the place where tender opening (proposal opening) will be conducted are the following: Name of the building and the street: <i>Governmental office of ***** District</i> No. of the room and the floor: <i>Room **, ** Floor</i> City/Aimag: <i>***** District, Ulaanbaatar City</i> Zip code: <i>*****</i> Country: <i>Mongolia</i> The date and time of the tender opening: <i>(Example) Date: 20<sup>th</sup> day of the February, 2012</i> <i>Time: 10:00 am (Mongolian standard time)</i>
Chapter 1.33.1	Domestic preferential rights <i>will not be considered</i> in the evaluation.

*Chapter 2 Data table for tender selection (DTTS)*

Relevant Articles of the Instructions to Tenderers (IT)	Contents
Chapter 1.34.4	<p>The following factors will be considered in the tender evaluation in addition to the prices: <i>Contract and commercial disparities will not be applied.</i> <i>Disparities of work implementation period will be applied</i> <i>Implementing period must be complied with specified period. Any difference will not be accepted.</i></p>
Chapter 1.38.1	<p><i>The performance security must be prepared in accordance with the appropriate form of the Chapter #7 or among the contract forms and submitted to the client before signing the contract. The amount of the performance security (monetary value) will be more than 5% of the contract price.</i></p>

## **Chapter 3. Tender Selection Forms (TSF)**

**[Note for filling the tender selection forms]**

Tenderers must fill these forms and submit them together with their proposals. If proposal includes several types of currencies, detailed information about prices must be indicated.

*Chapter 3 Tender Selection Forms (TSF)*

**1 Form #TSF-1**

**Tender Form**

[Date]

To: Mr./Ms/Mrs. \_\_\_\_\_, director, *(name of the client organization)*

1. We, *[the name of the tenderer]*, are proposing to implement the *[name and the No. Of the contract]* for *[tender price in numerals and letters]* Tg in accordance with tender document.

The contract payment will be made in the following currencies:

#	Currency	Per cent to be paid in the currency	Exchange rate /unit of foreign currency to Tg/	Required total of the foreign currency
(a)				
(b)				

Required advance payment:

	Currency	Amount
(a)		
(b)		

2. This proposal will be valid for *[numerals]* days since the deadline for the proposal receipt; and therefore, you can select this proposal before the end of the period.
3. If this proposal is selected, the statement of the contract rights grant will be the deal made between us until the official establishment of the contract.

Name of the tenderer: \_\_\_\_\_

Stamp and signature of the authorized official: \_\_\_\_\_

Name and position: \_\_\_\_\_

Address: \_\_\_\_\_

2 Form #TSF-2

Capacity Information

**Note for filling the capacity information form**

In order to prove the possession of sufficient capacity for implementation of the contract or clarify the changes in the information submitted for pre-qualification, tenderers must submit the following information in accordance with the Article #4 of the Instructions to Tenderers. This information will not be a part of the contract. Additional sheets can be used if necessary. If documents attached to the form are in languages other than that of the proposal, the documents must be translated. If the tenderer participated in the pre-qualification, the information to be filled by it must be only the changed information.

1. Tenderer or each member of a consortium
- 1.1. Tenderer's certificate of legal entity and the special permission (license): **[Attach the copy]**  
 Place of registry: **[fill]**  
 Official address of business activities: **[fill]**  
 Letter of attorney for the person representing the tenderer: **[attach]**
  - 1.2. Total monetary value of construction works implemented for [numeral]<sup>2</sup> years, list by years: **[fill]**
  - 1.3. The works similar with the contract in terms of work types and contract prices implemented for last [numerals]<sup>3</sup> years as the main contractor and the total contract prices expressed in the currency specified in the #1.2 must be filled in the table below. Further, expected and ongoing works and their planned date of completion should be listed.

Name of the project and country	Name and contact number of the client or customer	Types of works and year of completion	Contract price
a)			
b)			

- 1.4. Information related to the types or models of main equipments and machineries necessary for the implementation of the contract must be filled in the following table. Please refer to the Article #4.3 (d) of the Instruction to Tenderers.

Types/Models of equipments	Determination, produced country, years of utilization	Current condition (new, good, old) and the number of equipments	Own, to be rented, to be purchased (from where?)
a)			
b)			

<sup>2</sup> The numeral must be the same with that indicated in the provision #4 of the Instructions to Tenderers.

<sup>3</sup> The numeral must be the same with that indicated in the provision #4 of the Instructions to Tenderers.



*Chapter 3 Tender Selection Forms (TSF)*

- 1.5. Skills and experiences of managers and specialists. Biographies must be attached. Please consider the Article #5.3 of the Instructions to Tenderers and the Article #9.1 of the special conditions of the contract.

Position	Name	Years of employment	Years of experience at the post similar to that being recommended
a)			
b)			

- 1.6. Recommended subcontractor. Please consider the Article #7 of the special conditions of the contract.

Types of works to be contracted out	Price of subcontract	Subcontractor (name and address)	Experience of similar works	State of settlement
a)				
b)				

- 1.7. The audited financial statements and reports of analysis that covered losses, profits and financial activities prepared for *[numeral<sup>4</sup>]* years. List the documents and attach the copies.
- 1.8. Evidences that can be useful in identifying the degree of satisfaction of the financial capacity requirements such as those related to cash and loan. List the evidences and attach the copies.
- 1.9. Name, address, contact number, telex and fax of the customer bank of the tenderer.
- 1.10. *[Numerals<sup>5</sup>]* years' information of tenderer related to lawsuits, parties of dispute, amount of claims and state of settlement.

Opposing parties	Name	Amount of claims	State of settlement
a)			
b)			

- 1.11. Statement of authority, but not relevant to the Article #4.2 of the Instructions to Tenderers.
- 1.12. Proposing work program (implementation methodology and work schedule). Definition and design drawings if necessary.

**2. Consortium**

- 2.1. All the information indicated in the #1.1 to 1.11 of the capacity information form must be filled by each member.
- 2.2. Information indicated in the #1.12 of the capacity information form must be prepared for the consortium.
- 2.3. Letter of attorney for the person who represent the consortium and sing on behalf of the consortium must be attached.

<sup>4</sup> *The numeral must be the same with that indicated in the provision #4 of the Instructions to Tenderers.*

<sup>5</sup> *The numeral must be the same with that indicated in the Article #4.3 (k) of the Instructions to Tenderers.*

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*Chapter 3 Tender Selection Forms (TSF)*

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- 2.4. Partnership contract that satisfies the following requirements and established among the members must be attached. The requirements are:
- (a) The contract should specify the individual and joint liabilities of the members clearly in relation to the implementation of the contract;
  - (b) The contract must appoint the authorized person to undertake responsibilities and receive instructions on behalf of the other members, and to represent the consortium;
  - (B) The performance of the whole works will represented by the authorized person. And at the same time, the payment will be made only to him/her.

*Chapter 3 Tender Selection Forms (TSF)*

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**3 Form #TSF-3A**

**Tender Security Form  
(Bank Guarantee)**

*To: [Name of the client]*

Regarding the submission of proposals by *[Name of the tenderer]* (hereinafter to be referred to as “tenderer”) for the tender selection *[name of the tender selection]* on the procurement of goods:

With this guarantee, *[name of the bank]* (hereinafter to be referred to as “bank”) is guaranteeing its acceptance of the duty of payment with the amount of *[amount of money<sup>6</sup>]* to be paid to *[name of the client]* (hereinafter to be referred to as “client”).

The duty of payment will be implementable under the following circumstances:

- (1) The tenderer withdraws its proposal before the end of the tender validity period indicated in the tender form;
- (2) The following circumstances occur due to the Tenderer’s action or attitudes after the client grants the contract rights within the tender validity period:
  - (a) Tenderer did not sign the contract in compliance with the Instructions to Tenderers;
  - (b) Tenderer did not deliver the performance security in accordance with the Instructions to Tenderers; and
  - (c) Tenderer did not accept the corrections of errors of the tender price made by the client in accordance with the Instructions to Tenderers.

The duty of payment will be implemented without any resistance immediately after the receipt of statement by the client that indicates the occurrence of one of the above-mentioned circumstances and requires the implementation of the payment duty for the amount indicated above.

This guarantee will be valid for 28 days after the tender validity period ends or until *[specify the date]*. The client is obliged to inform the bank about any requirements within this period.

Yours Respectfully,

\_\_\_\_\_ signature of the authorized person of the bank  
\_\_\_\_\_ name and the position

Stamp of the bank

Date: \_\_\_\_\_

Address: \_\_\_\_\_

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<sup>6</sup> *The amount of the guarantee must be expressed in the currency of tender or a currency acceptable by the client and indicated both in numerals and letters. Monetary value of the guarantee must be the same as that indicated in the Article #21.1 of the Instructions to Tenderers.*

**4 Form #TSF-3B**

**Tender Security Form  
(Guarantee of the Government Bonds)**

*To: [Name of the client]*

Regarding the submission of proposals by *[Name of the tenderer]* (hereinafter to be referred to as “tenderer”) for the tender selection *[name of the tender selection]* on the procurement of goods:

With this guarantee, *[name of the stock exchange]* (hereinafter to be referred to as “stock exchange”) is guaranteeing its acceptance of the payment duty with the amount of *[amount of money<sup>7</sup>]* to be paid to *[name of the client]* (hereinafter to be referred to as “client”) based on the Government bonds<sup>8</sup> possess by the tenderer.

The duty of payment will be implementable under the following circumstances:

- (1) The tenderer withdraws its proposal before the end of the tender validity period indicated in the tender form;
- (2) The following circumstances occur due to the Tenderer’s action or attitudes after the client grants the contract rights within the tender validity period:
  - (a) Tenderer did not sign the contract in compliance with the Instructions to Tenderers;
  - (b) Tenderer did not deliver the performance security in accordance with the Instructions to Tenderers; and
  - (c) Tenderer did not accept the corrections of errors of the tender price made by the client in accordance with the Instructions to Tenderers.

The Government bonds will be transferred without any resistance immediately after the receipt of statement by the client that indicates the occurrence of one of the above-mentioned circumstances and requires the implementation of the payment duty for the amount indicated above.

This guarantee will be valid for 28 days after the tender validity period ends or until *[specify the date]*. The client is obliged to inform the bank about any requirements within this period.

Yours Respectfully,

\_\_\_\_\_ signature of the authorized person of the bank/stock exchange  
name and the position

Stamp of the bank/stock exchange

Date: \_\_\_\_\_

Address: \_\_\_\_\_

<sup>7</sup> The amount of the guarantee must be expressed in the currency of tender or a currency acceptable by the client and indicated both in numerals and letters. Monetary value of the guarantee must be the same as that indicated in the Article #21.1 of the Instructions to Tenderers.

<sup>8</sup> The repayment date of the Government bonds must be after more than 3 months from the date of tender opening.

*Chapter 3 Tender Selection Forms (TSF)*

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**5 Form #TSF-4**

**Statement of Grants of Contract Rights**

(Must be prepared on the client's official printed form of letter)

[Date]

To: Mr./Ms./Mrs. \_\_\_\_\_ director, [name of the contractor]

Subject: Grant of the Contract Rights

I am here informing you that our organization has accepted your proposal submitted on [date] for [name and No. of contract and tender selection indicated in the special conditions of the contract] with the tender price [contract price in numerals and letters] after it was corrected and adjusted<sup>9</sup> in accordance with the indications of the Instructions to Tenderers.

Please sign the contract form and deliver it within [numeral<sup>10</sup>] days after receiving this statement. ,

Failure of delivering performance security within 21 days since the receipt of this statement will be a basis to invalidate the contract rights.

The contract form and the conditions have been attached.

Name of the client organizations: \_\_\_\_\_

Stamped signature of authorized official: \_\_\_\_\_

Position and name: \_\_\_\_\_

Address: \_\_\_\_\_

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<sup>9</sup> If it is unnecessary, the terms "correction" and "adjustment" will be deleted. Please see the "Note for the prototype contract form" on the next page.

<sup>10</sup> It must be the same with the numeral indicated in the #33.2 of the Instructions to Tenderers.

## **Chapter 4. Technical Specifications**

### **1 Basic services**

- 1.1 During the term of the Project, the Contractor shall collect, remove, transport, and dispose of all non-hazardous Solid Waste as defined herein and shall be solely responsible to furnish all Staff and Equipment, in a manner consistent with the Contract and considered good professional practice, and to the satisfaction of Client.
- 1.2 The Contractor shall collect and haul to the designated disposal site, within the operational hours of that facility, Solid Waste originating from all residential properties.
- 1.3 The Contractor shall make waste collection agreement with all business entities that are discharging non-hazardous waste within the collection area. In the event, the business entities are not agree to make an agreement with contractor, the contractor shall report to the Client to find any solutions.
- 1.4 The contractor shall be responsible to clear illegal dumping which made by non-hazardous waste within the collection area.
- 1.5 The Contractor shall not be required by Client or any Generator to collect Hazardous Waste. Any discharge of Hazardous Waste shall be reported to Client within two hours, and it shall be the responsibility of Client and/or the Generator to promptly resolve safe management of the Hazardous Waste.

### **2 Commissioning period**

- 2.1 The Commissioning Period comprises the one week prior to the Commencement Date. During the Commissioning Period the Contractor shall notify Generators about the details of the new Services to be provided under this Project.
- 2.2 The Contractor shall instruct Generators about waste placement and disposal requirements. The Contractor shall also advise the Generators about the mechanisms to address incomplete performance by the Contractor or other complaints.
- 2.3 During the Commissioning Period, the Contractor shall fully prepare for the performance of Services, and shall obtain any additional vehicles and equipment required to train the Contractor's Staff, and shall secure any other facilities as it may require.

### **3 Generator education and compliance**

- 3.1 The Contractor shall, with the assistance of Client, educate the Generators about the Service and shall provide and distribute information about the rights and responsibilities of the Generators. The Contractor shall during the Commissioning Period prepare such information and submit same to Client for approval, which approval shall not be unreasonably delayed or withheld.
  - 3.2 It is the Contractor's responsibility to instruct Generators to place Bags, Bundled Waste, Household Bins and Waste Containers at curbside or as close as practicable to collection vehicle routes by a specified time on the designated days of collection service.
  - 3.3 After the Commissioning Period, the Contractor's Staff shall record and report to the Contractor's representative the time and location of any unauthorized, illegal, or clandestine dumping of Solid Waste that they observe. These reports shall be sent to Client the following
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working day. It is the Contractor's responsibility to remove all unauthorized, illegal or clandestine dumps of Solid Waste within the Location.

**4 Hours of service**

4.1 The contractor shall collect the discharged waste following the time table below.

4.2 In the event of absent of collection and transportation works, the contractor shall appoint alternative contractor to carry out the Service. The cost incurred from alternative appointment shall be bear by the contractor.

**5 Waste collection frequency**

5.1 The contractor shall collect the discharged waste 6 days per week. The contractor shall collect the discharged waste completely at the time of collection table is shown in attachment (Table 4-5).

5.2 The waste collection day is fixed on Monday to Saturday.

**6 Holidays**

6.1 If a public holiday occurs or falls on collection days, the collection ordinarily made on that day by the Contractor may be made by the Contractor on the proceeding day or the next succeeding day. The Contractor will determine whether to observe holidays as non-collection days, and shall notify Client of said determination as soon as practicable. The observance of a holiday in no way relieves the Contractor of its obligation to provide collection service specified within this contract.

6.2 The contractor shall obtain approval from client for No collection service during special holiday such as Naadam and Tsagaan sar.

**7 Locations and services**

7.1 The Location of the Service to be provided under this Project is defined in attachment (Figure 4-1). The Contractor shall be fully responsible for the removal of all non-hazardous Solid Waste within the Location.

7.2 The Contractor shall provide a complete Solid Waste collection service throughout the Location and will be responsible for providing appropriate Equipment to cater for varying conditions, including road, topographical and settlement, within the Location.

7.3 The Services will comprise, but not be limited to Bags, Bundled Waste and waste storage facilities including: Public litter bins, Waste Bins, Household Bins, Waste Containers and Community Containers.

7.4 All waste storage facilities shall be carefully handled by the Contractor's Staff and shall be thoroughly emptied and left at their original point, standing upright, with any cover in place.

7.5 Estimated waste discharged amount is shown in attachment (Table 4-5).

**8 Indiscriminate dump site**

8.1 The Contractor shall notify Client in writing within 24 hours of the occurrence of an indiscriminate dump site in their Location.

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- 8.2 The Contractor shall, having first sought the approval of the Authorized officer, erect anti litter signs at problematic areas with the Location.

**9 Claims from Generator**

- 9.1 In the event, the client receives a claim from Generator who lived in the Location. The contractor shall survey the contents of claim and its report to the client without any delay. If the reason of the claim is arising from the Contractor's Services, the Contractor shall solve the claim by his own expenses.

**10 Vehicles**

- 10.1 The Contractor's vehicles and equipment used for performing Services shall be adequate to perform the Services required by the Project as may reasonably be determined by Client from time to time.
- 10.2 For the collection of non-hazardous Solid Waste specialized collection vehicles shall be used. These fully contain the waste, eliminating potential nuisances such as odors, windblown litter and uncontrolled leachate discharge.
- 10.3 The Contractor shall paint all vehicles used for the routine collection of non-hazardous Solid Waste in the same color as the uniforms provided to the workers. The Contractor's name, telephone number, and vehicle number shall be visibly displayed on all collection vehicles in letters and figures not less than fifteen (15) cm high.
- 10.4 As vehicles and equipment become fully depreciated or reach the end of their useful life, the Contractor shall immediately purchase, rent, or lease vehicles and equipment to satisfy such requirements or replace such retired vehicles and equipment.
- 10.5 The Contractor shall ensure that all vehicles are registered and operate in compliance with all applicable laws and regulations.
- 10.6 The Contractor shall keep all vehicles and equipment used for performing Services in good repair, appearance and sanitary condition. All vehicles shall be washed and thoroughly disinfected every day.
- 10.7 All lights, horns, warning devices, mufflers, fuel tanks and emission controls on said vehicles and equipment shall be kept operable at all times, with an average fleet downtime of no more than twenty five percent. A sufficient supply of spare parts shall be kept on hand to ensure the timely and continuous fulfillment of this Project.
- 10.8 When vehicles are down for maintenance or repair, it shall be the Contractor's obligation to provide a replacement vehicle from the spares in its fleet or a comparable replacement through rental or leasing arrangements.
- 10.9 All vehicles and equipment shall be operated by qualified and licensed operators.
- 10.10 All vehicles shall be sufficiently secure so as to prevent any spilling or littering of Solid Waste. No vehicles shall be willfully overloaded.
- 10.11 All vehicles shall maintain a log of time and movement, including: departure time from the parking area at the start of work, arrival time at and departure time from the officially designated discharge location, and arrival time at the parking area at the end of work.
- 10.12 Vehicles which have their loads weighed or measured shall have this data included in their logs. Downtime and the nature of any break down and repair activities shall also be recorded.
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Data from the vehicle logs shall be collated and presented in a monthly report of service delivery from the Contractor to Client. In addition, Client shall have access to the vehicle logs upon demand.

**11 Vehicles routes and logs**

- 11.1 The Contractor shall provide Client with the planned and scheduled route for each vehicle, so as to facilitate monitoring of performance of all work to be conducted under this Project.
- 11.2 All employees of the Contractor shall perform their duties in accordance with the planned and scheduled routes assigned to them. Whenever routes are changed by the Contractor, the Contractor shall provide Client with the new routes, and a justification for the changes, within one day of the changes. The Contractor shall make all driver's logs and records available for inspection on a daily basis, and whenever requested by Client. Generators who will be affected by the change must be notified at least one day prior to such change being effected.

**12 Waste disposal**

- 12.1 The Contractor shall transport the collected Solid Waste to Naragiin Enger Disposal Site located in Songinokhilkhan District, Ulaanbaatar City.
- 12.2 The Contractor shall at all times properly discharge solid wastes only to officially designated disposal facilities during their official hours of operation. No dumping of Solid Waste shall be made to drains, sewers, open lands, quarries, rivers, channels, swamps, or other locations not officially designated. The Contractor shall at all times supervise its workers and inspect their activities to ensure that unauthorized dumping does not occur.
- 12.3 The Contractor shall transport and discharge collected waste to NEDS.
- 12.4 The Contractor repeat the illegal dumping may result in the termination of the Contract, revocation of the license, and other punitive action prescribed by law.
- 12.5 The assigned disposal site may be closed and a new disposal site developed during the period covered by this Project. If the contractor is required to transport waste a further distance exceeding 10 km as a result, Client shall modify the Contract Price to compensate the Contractor for additional transit distance/time.

**13 Tipping fees**

- 13.1 At the commencement of the Project there will be no Tipping Fees at the NEDS. However, when new engineered sanitary landfill sites are constructed Contractors may be responsible for the payment of all Tipping Fees levied. The Contract Price shall be renegotiated at an appropriate time to reflect this potential additional expense to the Contractor.

**14 Service additions and deletions**

- 14.1 The Service shall be extended to all new or additional Generators, units and streets in the Location immediately upon request by Client or by the Generator. The Contractor shall provide this extension within the Contract Price. Any Variation to the Services will be taken into account on each anniversary of the Commencement Date (the Review Date) when the Contract Price is reviewed, and such increase or reduction shall take effect in respect of the twelve month period commencing on the relevant Review Date.

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**15 Regulatory framework**

- 15.1 The Client shall implement the Regulatory Framework. The Client shall inspect Generators for compliance with regulations regarding use of proper receptacles for Solid Waste storage, collection, disposal, littering, unauthorized dumping and management of Hazardous Wastes.

**16 Uniforms**

- 16.1 The Contractor shall provide readily recognizable, brightly colored, shirts (or vests) and pants of a single design and color to all its workers, to be worn at all times when performing Services under this Contract, so that they can be readily observed and their performance can be readily monitored. Uniforms shall be kept clean and in good condition and replenished as they become worn or damaged, and on at least a semi-annual basis.

**17 Protective equipment**

- 17.1 The Contractor shall provide protective shoes and gloves to all workers, for use at all times during performance of services under this Project.
- 17.2 Protective equipment shall be kept clean and in good condition, and replaced by the Contractor as it becomes worn or damaged, and at least on a semi-annual basis.
- 17.3 The Contractor shall be responsible for providing regular medical check-ups for its Staff, on at least a semi-annual basis, and for providing a program of suitable inoculations, having first obtained medical advice from a medical practitioner.

**18 Liability & Indemnity**

- 18.1 The Contractor shall hold harmless, defend and indemnify the Client of the local government, and any Generator from claim or damage arising from the actual or alleged negligence of the Contractor in the performance of the Services and from any willful, or criminal acts allegedly occurring during the Services, including the time when the Contractor vehicles are in transit.
- 18.2 The Contractor shall carry full comprehensive (all risk) vehicle insurance and general liability insurance coverage with insurance companies reasonably acceptable to the Client throughout the term of this Contract and throughout any extension or renewal thereof, providing for replacement value in the case of theft or damage, and liability in the case of accident.
- 18.3 Prior to the Commencement date under this Contract, certificates of insurance or verified copies of all insurance policies shall be provided to the Client, together with a certificate of the insurer that the policy or policies are in full force and effect and that same will not be altered, amended or terminated without thirty (30) days written notice having been given to the Client. If the levels of coverage and policy conditions outlined in the insurance policies do not meet the requirements of the Client, the Contractor will be required to obtain additional coverage prior to the start of work. All insurance policies shall be renewed at least fifteen days before expiry. The Contractor shall furnish the Client with adequate evidence that the Contractor has obtained and is maintaining in force Worker Compensation and Employee's Liability insurance to cover immediate expenses and long-term costs, including loss of income, related to injury and disability obtained during and from work operations.
- 18.4 The proceeds of such insurance, upon payment after any loss, shall be used in a manner prescribed by the Client. If the proceeds of such insurance, upon payment after any loss, are not adequate to compensate for the loss, the Contractor shall be responsible to make full compensation.

*Chapter 4 Technical Specifications*

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18.5 The Contractor shall, upon demand of the Client, at the Contractor's sole cost and expense, defend and provide attorneys to defend the Client, Client's office Officer, and Client's office staff, against any and all claims, actions or suits brought against them, arising or resulting from or in any way connected with the above-mentioned operations, defaults, negligence, or performance failures.

**19 Performance Monitoring**

19.1 The Contractor shall allow the Client, including the designated officer and the Client's staff to have access at all times to inspect the work being conducted under this Contract, to inspect all records and documents maintained by Contractor regarding work performed under this Contract, and to inspect the Garage, including spare parts inventories, stores, and workshop repair facilities.

19.2 The Client has responsibility for monitoring and controlling the Services conducted under this Project. The Client may assign this responsibility to the Client's staff including health inspectors and police working with other departments of government, and/or may separately contract with a private Contractor called the monitor for monitoring services.

19.3 All work conducted under this Project shall be subject to performance monitoring by the Client and/or the Client's officially designated independent monitor. The Contractor shall cooperate fully with the efforts of the Client and the monitor to monitor and control the Services.

19.4 The Contractor shall establish and operate a complaint and public liaison office within its assigned zone of service. The Contractor shall also establish and operate a telephone line with a full time answering service or machine at the said office for receipt of complaints and public comments. Said office shall have at least one responsible person in charge and present during collection hours and shall be open during all collection hours.

19.5 A complete log of all communications is to be maintained, including a record of actions to follow-up on any complaints or comments. The Contractor shall make the log and record available for inspection whenever requested by the Client and/or its monitor. The Contractor shall respond to all complaints regarding the Services provided under this Contract in a courteous and prompt manner within .10 days.

**20 Financial Penalties**

20.1 For the purpose of assessing whether financial penalties are recoverable by the Client from the Contractor the following method shall be applied;

Each Notice issued shall correspond to the following default points;

Rectification Notice	:	-1 point
Default Notice	:	-2 points
Supplementary Default Notice	:	-3 points

20.2 Definition of Notice

(a) At any time after the commencement date of the contract the Client may investigate each case where the Contractor has failed to properly perform the Services in accordance with the provisions of the Contract. Where the Client is satisfied that in any particular case the Contractor has failed to perform the Services completely in accordance with the provisions of the Contract, the Client shall be entitled to issue to the Contractor a notice instructing the Contractor to remedy the failure within a reasonable period of time (Rectification Notice).

(b) In addition, where the Service which has not been performed in accordance with the

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Contract is, of such a type and/or provided at such a frequency that the issuing of a Rectification Notice would be inappropriate and of no effect, the Client shall be entitled to issue a Default Notice.

- (c) If the Contractor fails to remedy the Services deficiency which is the subject of a Rectification Notice, the Client shall be entitled to issue a Default Notice. Further failure on the part of the Contractor to remedy the Service deficiency may result in the issuing of Supplementary Default Notice. Each Default and Supplementary Default Notice will require the Contractor to remedy the Service deficiency within a set or defined period.
- (d) Without prejudice to the generality of the foregoing, the following matters shall be included in the types of Services deficiencies for which notices may be issued.
  - Failure to properly collect, in compliance with the schedule, any solid waste within the location
  - Failure to clear spillages within the location
  - Unsafe Working Practices
  - Misuse of Vehicles and Equipment
  - Overloading of Vehicles
  - Failure to make returns and reports
- (e) All Notices shall be recorded and used by the Client in determining the Contractor's overall Services performance and shall also be used in determining Financial Penalties and whether the Client may terminate the Contract.

20.3 In the event of incidents of the Contractor's failure to properly perform the Services the Contractor shall be liable to Client for the costs incurred thereby to be calculated as set out below;

Default Points in any month	Deduction from monthly installment
0-20	1.0%
21-40	2.0%
41-60	5.0%

**21 Termination**

This clause shall be refer to Chapter 5.56 and Chapter 5.57

**22 Methodology Statement**

- 22.1 The Contractor shall provide a methodology statement which should broadly explain their overall approach to the Project.
- 22.2 The Contractor shall complete the attached Table 4-1 which details specific information relating to collection methodology and frequency within specific communities.
- 22.3 The Contractor shall also detail, on the appropriate maps provided, their approximate daily collection routes. Separate maps may be submitted for each collection day or alternatively color coded daily routes can be placed on a single map as long as the information is clearly legible.

**23 Submission of optional proposals**

23.1 If the submission of optional proposal is allowed in Chapter 2 Data table for tender selection

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(DTTS) . The Contractor shall be required to submit Tender price for Original and Optional proposal and shall be required following documents for Optional proposal.

- Collection route and point Map which covered with collection area.
- Frequency and Time table of the waste collection

**24 List of Equipment and Personal**

24.1 The Contractor shall be filled up provided form 'Table 4-2, 'Table 4-3 and 'Table 4-4 for their equipment details and personals which will be involved for this project.

Table 4-1: Waste Collection Methodology

Location	Waste Collection		Waste Storage		Vehicle and Staff Specification	
Name	Number of Households	(Curb side collection or Community containers)	Frequency of Services (Specify which days per week)	Type of waste Storage facility(s) (Plastic bags/community container/ Household bin etc) to be provided by contractor (Include numbers & capacities where appropriate)	Location(s) of Storage facility(s) (Specify exact locations of community containers -if- relevant)	Type of Vehicle details (Rear loading, Compactor/Skip etc.....) (Include numbers and capacities)

Table 4-2: List of Personals

Staff	Administrative	Technical	Supervisors	Drivers	Operators
Numbers presently employed					
Total numbers to be employed under the Project					
Proposed source of additional staff					
Mobilization period for additional staff					
Number of expatriates employed					
Number of regional personal employed					
Number of Ulaanbaatar City citizens employed					

Table 4-3: Existing Equipment

Description	Manufacture	Model	Year of Manufacture	Condition	Ownership (state who owns the equipment)

Table 4-4: Proposed Equipments

Description	Manufacturer	Model	Year of Manufacture	To be purchase or hired	Obtained from where	How financed	Mobilization period

Chapter 4 Technical Specifications

25 Attachment

25.1 Collection Time Table

Table 4-5: Collection Time Table

Days	Sources	Freq. (times/week)	Col. Hours	Col. Amount (kg)	Mon	Tue	Wed	Thu	Fri	Sat	
Mon, Wed, Fri	<b>Morning Trip:</b>										
	1 Selbe houses/Orchlon	6	0:24	532	9:00		9:00		9:00		
	2 Macro Centre	3	0:13	312		→					
	3 Apart-9/1 & 5/1	3	0:13	197							
	4 Music and Dance College	3	0:24	519		→					
	5 Apart-39	3	0:08	208							
	6 Apart-4	3	0:13	409							
	7 Apart-6	3	0:17	409							
	8 Apart-5	3	0:08	409							
	9 Apart-5A	3	0:09	358	12:30		12:30		12:30		
	<b>Expected Trip Waste (kg)</b>					3352		3352		3352	
	<b>Afternoon Trip:</b>										
	1 Odkon Co., Ltd	1	0:03	236						14:50	
	2 Craft atelier	3	0:12	355	14:50		14:50				
3 Apart-18 (15)	3	0:13	59								
4 Apart-7A	3	0:17	709								
5 Tanii delguur	3	0:06	153								
6 Tegsh AOU/Panda's Villa	6	0:18	436								
7 Tegsh's businesses	6	0:05	55								
8 Sunny and trade	3	0:14	255								
9 Business of Apart-13 (11)	6	0:08	55								
10 Soraksan & GaM	6	0:05	55								
11 Business of Apart-4	6	0:09	138								
12 Business of Apart-5A	6	0:06	42	18:00					18:00		
13 Chingeltei Electricity Supply	3	0:11	153			18:00					
<b>Expected Trip Waste (kg)</b>					2312		2465		2548		
Tue, Thu, Sat	<b>Morning Trip:</b>										
	1 Selbe houses/Orchlon	6	0:24	532		9:00		9:00		9:00	
	2 Democratic Party	1	0:02	10							
	3 Apart-9	3	0:11	414							
	4 Apart-8	3	0:21	296							
	5 Apart-7	3	0:30	632							
	6 Apart-10	3	0:45	1270		12:30		12:30		12:30	
	<b>Expected Trip Waste (kg)</b>						3153		3153		3153
	<b>Afternoon Trip:</b>										
	1 Rehabilitation clinics	3	0:20	657		14:50		14:50		14:50	
	2 Nova furniture	3	0:06	100			→				
	3 Frame factory	1	0:08	100							
	4 Apart-36 (Selbe-2)	3	0:18	260							
	5 Pizza romania, Khaliun trade e	3	0:18	290							
	6 Auto wash	3	0:06	58							
7 Food market	3	0:07	580								
8 Tegsh AOU/Panda's Villa	6	0:18	436								
9 Tegsh's businesses	6	0:05	55								
10 Apart-13 (11)	3	0:14	255			→					
11 Business of Apart-13 (11)	6	0:08	55								
12 Soraksan & GaM	6	0:05	55								
13 Business of Apart-4	6	0:09	138								
14 Business of Apart-5A	6	0:06	42		18:00		18:00				
15 Smile and Selbe bars	1	0:16	355						18:00		
<b>Expected Trip Waste (kg)</b>						2980		3080		3335	

Collection days=6 per week

Number of trips=12 per week

Travel hours: (1) Khoroo to NEDS=>0:50 (2) NEDS to Khoroo=>1:30 (break included)

Operation hours: (1) Collection hours=2:40 per trip; (2) Shifting hours=0:50 per trip



Chapter 4 Technical Specifications

25.2 Waste collection route

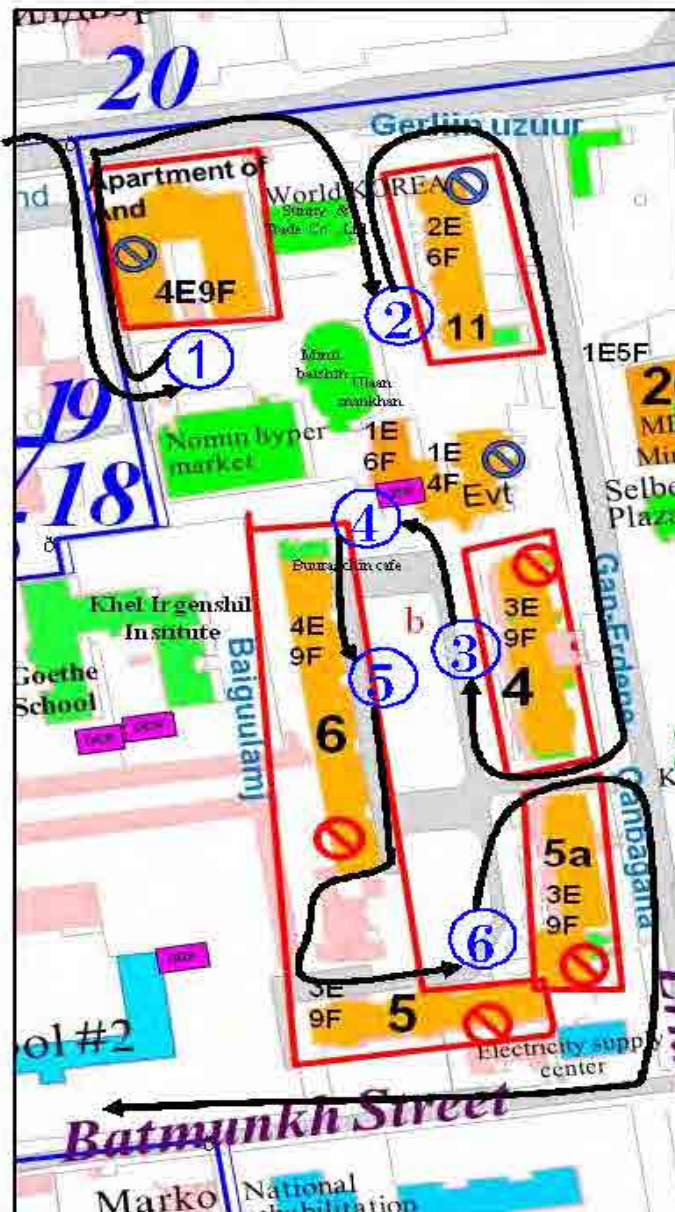


Figure 4-1: Waste collection points and collection sequence

## **Chapter 5. General Condition of Contract**

### **A. General Provisions**

#### **1 Terms and Definitions**

1.1 The terms are written in bold fonts.

**Phased work schedule /volume of work** The schedule includes prices for works of phases (or volume of work) and submitted by the contractor together with the proposal.

**Conditions of compensation** Conditions indicated in the Article #41 of the General Conditions of the Contract.

**Date of completion** The date which the Project Manager certified the completion of the works, it shall be compliance with the Chapter 5.52.1.

**Contract** The contract established between the client and the contractor on implementation and completion of the works and conduct of the operation and maintenance. The contract consists of the documents mentioned in the Chapter 7 of the contract form.

**Contractor** The Contractor who submitted the proposal shall be accepted by the client.

**Proposal (or Tender)** Complex of documents shall be prepared and submitted by the contractor in accordance with the client's conditions and requirements.

**Contract price** The price indicated in the Statement of Contract Rights Grant and adjustable in accordance with relevant Articles of the contract

**Days or Months are those of the calendar.**

**Work-day** Costs, amount of which are estimated based on the worked periods of workers and equipments (man-hour or machine-hour)

**Breaches and defects** Works are not conducted in accordance with the contract or with defects in quality and violated the design drawings and the technical specification.

**Statement of breach and defect elimination** The guarantee made by the Project Manager after the contractor eliminates the breaches and the defects.

**Warranty period** Period indicated in the special conditions of the contract which starts from the completion date of work. During this period, the contractor will be obliged to fix breaches and defects.

**Drawing** Approved design drawings or plans and approved estimations and other relevant information prepared by the Project Manager in relation to the drawings and plans.

**Client** Entity who is hiring the contractor for implementation for the work

**Equipments** Contractor's machineries, mechanisms and vehicles brought to the worksite temporarily to utilize on implementation of the works.

**Initial price of contract (or "Initial contract price")** The contract price indicated by the client on the statement of contract rights grant.

**Planned date of completion** The date set in the contract for completion of works.

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Modification of the planned completion date can only be based on orders by the Project Manager.

**Material** All kinds of construction, raw materials, components, parts and other items to be used by the contractor for implementation of the works

**Facility** Constituent part with mechanical, electrical and chemical or biological functions

**Project manager** Person indicated in the special conditions of the contract and responsible for monitoring of work implementation and contract management (or person appointed by the client to deputize the project manager and informed to the contractor).

**Worksite** Area defined in the special conditions of the contract.

**Report of worksite survey** Report attached to the tender document which explains the conditions of the surface, soil, climate conditions and environmental assessment in the work field.

**Technical specification** The technical specification set for the works of the contract and its amendments made or approved by the Project Manager.

**Date of commencement** The date on which the contractor commences the works. The date will be indicated in the special conditions of the contract. Not necessarily be the same with the commencement date of work field management.

**Subcontractor** Entity signed contract with the contractor on implementation of a part of the works indicated into his contract.

**By-work** Work of planning, installation and removal necessary that for the contractor to conduct before construction of facilities or implementation of the works.

**Alteration** Instructions given by the Project Manager on altering the works

**Works** Works defined in the special conditions of the contract that must be implemented by the contractor and transferred to the client.

## **2 Explanation**

2.1 Singulars written in the general conditions of this contract may stand for plurals and vice versa. Titles will not be paid significance. Words will be understood with their direct meanings if there are no special indications. Explanations and clarifications about the contract conditions will only be made by the Project Manager.

2.2 If the special conditions of the contract indicated to complete the works by phases or partially, the terms of the general conditions such as works, completed date of work and planned date of completion will be applied to each part of the works.

## **3 Language of contract and Law**

3.1 The language of contract shall be made in Mongolian and applicable law is laws of Mongolia will be indicated in the special conditions of the contract.

## **4 Decision by the Project Manager**

4.1 If it is not indicated specifically in the contract, any decision related of the contract will be made by the Project Manager on behalf of the client.

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**5 Transfer of rights and obligations**

- 5.1 The Project Manager is allowed to transfer his duties to the other party for a period of time. However, the contractor must be informed before the transfer and the return of the Project Manager's rights and obligations.

**6 Communication**

- 6.1 The communication between the parties about the general conditions of the contract will be valid as long as they made in writing. Written statements will become valid when received by the other party.

**7 Subcontracting**

- 7.1 Subcontracting is allowed if the Project Manager accepts; however, it is prohibited to contract part of the works defined in the contract out to a third party without any written permissions by the client. Subcontracting will not alter the obligations of the contractor.

**8 Other contractors**

- 8.1 The contractor is obliged to provide the other contractors with opportunity to utilize the work field jointly for the periods indicated in their schedules in accordance with the indications of the special conditions of the contract. The contractor should provide these entities with necessary work instruments and services as indicated in the schedule. The client is authorized to amend the other contractors' schedules and obliged to inform the contractor about the amendments.

**9 Labor force**

- 9.1 The contractor will employ proper person(s) for functions indicated in the schedule of the major expert which was mentioned in the special conditions or those accepted by the Project Manager. If the contractor requests to replace the major expert, the Project Manager will approve the request as long as the skills of the expert recommended by the contractor match or over satisfy the requirements set in the above mentioned schedule.
- 9.2 If the Project Manager demands the contractor to terminate employment of one of his workers based on justifiable reasons, the contractor must release the worker from his duty within a week and will not allow him again to participate in the implementation work.

**10 Risks undertaken by the client and the contractor**

- 10.1 The client and the contractor will undertake the risks indicated in the contract as client's risks and contractor's risks respectively.

**11 The client's risks**

- 11.1 The client will undertake the following risks from the date of work commencement till the receipt of statement about the elimination of breaches and defects:
- (a) Risks related to injuries, deaths and losses or breakdowns of properties occurred during or due to the following (risks related to works, facilities, materials and equipments will be excluded):

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- (1) Utilization of the work field in due manner of the contract and the incident was unpreventable; and
  - (2) Improper use of authorities, irresponsible actions and violation of obligations by the client or parties other than the contractor's employees.
  - (b) Risks of breakdowns in works, facilities, materials and equipments resulted from the client's fault, errors in the client's drawings or conditions of force majeure.
- 11.2 Risks of breakdowns in or losses of works, facilities and materials occurred during the period from the completion date, on which statement of breach and defect elimination received, due to other reasons than the below-mentioned will be undertaken by the client:
- (a) Breaches and defects detected on the date of completion;
  - (b) Breaches and defects occurred before the date of completion that will not be a part of the client's risks; and
  - (c) Breaches and defects resulted from activities of the contractor on the work field after the date of completion.

## **12 Contractor's risks**

- 12.1 The contractor will undertake the risks resulted from injuries, deaths and losses or breakdowns of properties (including but not limited to works, facilities and materials) as well as those that must not be undertaken by the client for the period from the date of work commencement to the issue date of statement of breach and defect elimination.

## **13 Insurance**

- 13.1 The contractor must take out insurances against the following circumstances relevant to the contractor's risks on behalf of him and the client for the period from the date of commencement to the expiry date of the warranty. The amount of the insurances must be same with that indicated in the special conditions of the contract.
- (a) Losses of and breakdowns in the works, facilities and materials;
  - (b) Losses and breakdowns of equipments;
  - (c) Losses and breakdowns of assets (works, facilities, materials and equipments) in relation to the contract implementation; and
  - (d) Injuries and deaths
- 13.2 The contractor must deliver the insurance policy and certificate to the Project Manager for his approval before the date of commencement. The insurance should be taken with the amount of the special conditions of the contract in order to compensate damages of the circumstances mentioned in the Chapter 5.13.1.
- 13.3 If the contractor failed to deliver the insurance policy or certificates, the client should take the insurance and the deduction the insurance payment from the amount to be paid by the client to the contractor. If the client has no duty of payment to the contractor, the insurance payment will be the debt of the contractor to the client.
- 13.4 Alteration of the insurance conditions without the permission of the Project Manager is prohibited.
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- 13.5 Both parties must meet all the insurance conditions.
- 14 Report of worksite survey**
- 14.1 When preparing the tender proposal, the contractor must use the report on worksite survey that was mentioned in the special conditions of the contract and other information designated for Contractors.
- 15 Questioning on the special conditions of the contract**
- 15.1 The Project Manager will clarify and prepare explanations based on the questions about the special conditions.
- 16 Work implementation by the contractor**
- 16.1 The contractor should implement the works in accordance with the technical specification and the drawings.
- 17 Completion of the work in due time (by the planned date)**
- 17.1 The contractor must start the works on due date of commencement, implement in accordance with the work program prepared by him and the clarified work program approved by the Project Manager, and finish the works on the planned date of completion.
- 18 Guarantee by the Project Manager**
- 18.1 The contractor must deliver the technical specification and drawings of the by-works proposed by him to the Project Manager. If these are compliant with the technical specification and drawings of the works, the Project Manager will approve.
- 18.2 The contractor is responsible for the design drawings for the by-works.
- 18.3 Approval of the by-works by the Project Manager does not alter the obligations of the contractor related to the design drawings of the by-works.
- 18.4 If necessary, the contractor must obtain permissions of other organizations which are relevant to the drawings of the by-works.
- 18.5 The Project Manager should approve all the drawings prepared by the contractor for the by-works before the commencement of the works.
- 19 Safety**
- 19.1 The contractor will be responsible for the safety of all the activities to be conducted on the work field.
- 19.2 The contractor must take all measures necessary to protect facilities and buildings being constructed by him from natural disasters and unexpected casualties and adhere to any due requirements set by environmental, sanitary and emergency authorities in relation to the works.
- 20 Finds**
- 20.1 Any historical and heritage finds discovered at the worksite will be the property of Mongolia.
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The contractor must inform the Project Manager about finds if there are any and adhere to the instructions of the Project Manager.

**21 Utilization of the work field by the contractor**

21.1 The client will hand-over all necessary documents related to the work field (permissions for dismantlement, movement and suspension of operation of all types of buildings, facilities, engineering lines, roads and railroads of the work field, technical specifications and drawings that define sources of electricity, heating, steam, water supply, waste water lines, telephone and radio to be connected to the concerned building, permission of construction works and other relevant documents) to the contractor and authorize him to utilize all the territory of the work field.

21.2 If the client did not authorize the contractor to utilize a certain part of the work field in due time indicated in the special conditions of the contract, it would be considered that the client had interfered in the due commencement and these will a basis for duty of compensation.

**22 Entering the work field**

22.1 The contractor is obliged to allow the Project Manager or person authorized by the Project Manager to enter the work field and any places where works related to the contract are being conducted.

**23 Instructions**

23.1 Any instructions made by the Project Manager must be compliant with the Laws of Mongolia and must be obeyed by the contractor.

**24 Settlement of disputes**

24.1 If the parties are not able to reach an agreement on the disputes related to the implementation of the contract obligations, a claim will be filed to the court.

**B. Period monitoring.**

**25 Work program**

25.1 The contractor will prepare a work program that contains all information necessary for implementation of the works such as operational methodology, organization, procedures, work implementation period and other information and deliver it to the Project Manager for his approval in due time indicated in the special conditions of the contract.

25.2 During the clarification of the work program, the following items must be reflected. These are progress and achievements of each activity, their impact on periods during which the remaining works are implemented and changes in procedures of activities.

25.3 The contractor will deliver the clarified work program to the Project Manager for his approval in due time indicated in the special conditions of the contract. If the contractor did not submit the clarified work program, the Project Manager will deduct the amount specified in the special conditions from the next payment to be paid to the contractor. The Project Manager also allowed suspending the payment until the following settlement from the date of submission of the program.

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25.4 Approval of the work program by the Project Manager will not alter the contractor's obligations. The contractor can submit the work program in any time after any adjustments. Adjusted work program should contain the impact of the changes on the payment conditions.

**26 Extension of the date of completion**

26.1 If conditions of compensation are met or the contractor become not able to complete the works by the planned date of completion without additional costs due to alterations, the Project Manager will extend the planned date of completion.

26.2 The Project Manager will make decision on whether to extend the date of completion (and if to extend how long the extension period will be) within 21 days after the submission of contractor's request for extension and relevant explanations. If the contractor did not warn the slow progress in advance or did not manage to cooperate on fixing the situation, these will not be considered as basis for renewal of the date of completion (translator: the meaning in the original was not clear).

**27 Postponement of the dates by the Project Manager**

27.1 The Project Manager is authorized to give instructions to the contractor to postpone the commencement of an activity of the works.

**28 Meeting**

28.1 Either the Project Manager or the contractor is allowed to demand the other party to participate in work meetings. During the meetings, the progress of the work will be verified and problems will be solved in accordance with the rule of precaution.

28.2 The Project Manager prepares minutes of the meetings and distributes copies of the minutes to the attended parties. The Project Manager also allocates necessary assignments to the parties during or after the meetings and informs all the parties about the assignments in written statements.

**29 Rule of precautions**

29.1 The contractor is obliged to precaution the Project Manager against situations that may affect the quality, and contract price and implementation period. The Project Manager is authorized to require the contractor for information about the possible affects of occurred situations on the planned date of completion and the contract price. The contractor should deliver the necessary information as soon as possible.

29.2 The contractor will propose countermeasures to eliminate the above mentioned situation or to mitigate their impacts and cooperate with the Project Manager on implementation to his instruction.

**C. Quality Control**

**30 Detection of breaches and defects**

30.1 The Project Manager shall examine the progress of the works and inform the contractor about detected breaches and defects. This examination should not affect the obligations of the contractor. The Project Manager is authorized to provide the contractor with instructions about a conduct of inspections or experiments for the purpose to detect any defaults, defects and



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hidden problems.

**31 Experiment**

31.1 If the breaches and defects are found during experiments conducted by the Project Manager's requests (but not by the requirements of the technical specification), the costs of the experiments will be undertaken by the contractor. If no breaches and defects are found, it will be considered as a condition of compensation.

**32 Fixing breaches and defects**

32.1 The Project Manager shall deliver statement of requisition to fix the defaults and defects before the completion date of quality guarantee period which is indicated in the special conditions of the contract to the contractor. The quality guarantee period will be extended until the defaults and defects are fixed.

32.2 The contractor is obliged to fix any defaults and defects with own funds in due time stated in the statement that the Project Manager delivered.

**33 Failure in fixing defaults and defects**

33.1 If the contractor did not fix the defaults and defects in due time indicated in the statement delivered by the Project Manager, the Project Manager estimate necessary costs for fixing the defaults and the defects and claims it from the contractor.

**D. Cost Control**

**34 Phased work schedule**

34.1 The contractor should submit its clarified phased work schedule within 14 days after the requisition by the Project Manager. The activities reflected in the phased work schedule should be in accordance with those reflected in the work program.

34.2 If the price for materials to be used at worksite is decided to settle separately, the contractor is obliged to submit the estimation of the materials supplied for the worksite apart from the phased work schedule.

**35 Modification of the phased work schedule**

35.1 The contractor amends or modifies the phased work schedule in order to reflect the changes in the implementation techniques and the work program decided by the contractor into the schedule. The prices in the phased work schedule must not be changed during the modification.

**36 Alteration**

36.1 All the alteration must be reflected in the clarified work program and the phased work schedule prepared by the contractor.

**37 Payment resulted from alterations**

37.1 The contractor will submit bill of quantities for the by-works resulted from alterations if Project Manager requires. The bill of quantities must be submitted within 7 days or before the

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date the Project Manager set. After the examination of the bill of quantities, the Project Manager will give permission for the alteration.

- 37.2 If the Project Manager judges the bill of quantities submitted by the contractor unjustifiable, he is allowed to evaluate the contractor's costs affected by the alteration and approve the alteration based on his estimation.
- 37.3 If the Project Manager judges that a quick alteration must be made into the works or the works must be completed in due date, he will not require the submission of the bill of quantities. The alteration will be treated as a condition of compensation.
- 37.4 The contractor is not allowed to claim additional payment for costs which could have been saved if he had informed in advance.

**38 Budgeted cash flow**

- 38.1 If the contractor clarified the work program or the phased work schedule, he should submit the budgeted cash flow statement to the Project Manager. The currency and the exchange rate in the statement must be the same as those of the contract.

**39 Statement of payment**

- 39.1 The contractor must submit performance report of the implemented work to the Project Manager each month. The claimed amount in the report will be equal to the difference between the total costs and the amounts claimed before.
- 39.2 The Project Manager will check the implementation of the works and approves the amount of payment.
- 39.3 Estimation of the amount to pay for the implemented works must be based on the contract prices of the completed phase works that were indicated in the phased work schedule.
- 39.4 The amount of payment for the implemented works must contain the compensation and the costs of the additional works conducted due to the alteration.
- 39.5 If costs included in the claims of previous payments are reclaimed, the Project Manager will deduct the amount from the amount to pay.

**40 Payment**

- 40.1 When making payments, advance payments and collateral must be subtracted from the amount. The client will pay the amount approved by the Project Manager to the contractor in the time indicated by the special conditions of the contract. In the events, the client did not make any payments to the contractor by due date, the fine for the delayed amount must be added to the amount of the next payment. The fine will be applied to the days between the due date of the payment and the paid date. The amount of the fine will be estimated based on interest rates of commercial loans prevailed during the period of concern for each type of the currencies.
- 40.2 If the amounts indicated in the previous statements (claims) increased due to a court decision or last statements, fine will also be paid to the contractor for the amount of increase (as this will be treated as delayed part of the previous payment). The fine will be estimated from the date when this amount of increase must have been paid.
- 40.3 If it is specified differently in the contract, all the payment and deduction will be settled in the currency of the contract.
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40.4 The client should not pay for the jobs, unit and total prices of which are not specified, as the unit and total prices of these jobs are considered as included in the other jobs of the contract.

**41 Conditions of compensation**

41.1 The following are the conditions to make compensation:

- (a) The client failed in authorizing the contractor to utilize any part of the work field within the specified period for authorization of work field utilization;
- (b) The client amended other contractors' schedules that affects the contractor's work implementation;
- (c) The Project Manager decided to postpone works or did not provide the contractor with drawings, technical specification and instructions necessary for the implementation of works;
- (d) No breaches and defects are found through additional examinations or experiments conducted by the contractor based on the Project Manager's orders;
- (e) The Project Manager did not approve subcontracting without any justifiable reasons;
- (f) The information about the soil condition supplied to the Contractors (including the report of work field survey) differed considerably from the results of soil analysis conducted in the work field.
- (g) The Project Manager instructed the contractor to conduct additional works required by the situations resulted from the client's activities, safety and other reasons;
- (h) The contractor lost time or paid additional costs because of situations resulted from the insufficient adherences by other contractors, local government, public service organization and the client to the schedule and conditions of the contract;
- (i) Advance payment was not made in due time;
- (j) The client's risks affected the contractor;
- (k) The Project Manager delayed issuing the statement of work completion without any justifiable reasons; and
- (l) Other conditions of compensation indicated in the contract or defined by the Project Manager.

41.2 If the conditions of compensation resulted in additional costs or interference with completion of the work in due date, the contract price must be increased and at a same time/or the planned completion date must be extended. The Project Manager will propose increasing the contract price and decide the extension of the completion date.

41.3 Every occasion that the contractor submitted a report that contains estimation of the contractor's costs affected by the compensation condition, the Project Manager will evaluate the estimation and adjust the contract price. If the contractor's estimation was considered unreasonable, the Project Manager will adjust the contract price based on his estimation. In doing so, it will be considered that the contractor will take necessary measures to eliminate any negative impact related to that occasion.

41.4 If the client's interest is affected considerably due to the contractor's failure in advance warning or cooperation with the Project Manager, the contractor will not be paid any

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compensation.

**42 Tax**

42.1 If taxes, fees and other kinds of payments are changed during the period from the date [same with the numeral indicated in the Article 13.3 of the Instructions to Contractors] days before the date of proposal submission to the issue date of the statement of work completion, the Project Manager will adjust the contract price. This adjustment, which will be same as the difference of the tax amounts to be paid by the contractor, should not be reflected in the contract price before or relevant to the Article 44.

**43 Currency**

43.1 If the payment is made in currencies other than TUGRUG, the exchange rate announced by Mongol bank on the day will be used in estimating the payment amount.

**44 Price adjustment**

44.1 The price adjustment will be done in order to reflect price fluctuations of main items, raw materials and wage or salaries as long as it is indicated in the special conditions of the contract. When adjusting the price, the difference between the total amount of the bill and the advance payment will be adjusted based on the price adjustment factor "P<sub>c</sub>" (as for several currencies are used, the methodology will be applied separately to each currency).

$$P_c = A_c + B_c \text{ Im}_c / \text{Io}_c$$

Note:

P<sub>c</sub> – Price adjustment factor for part of contract payment to be paid in the currency C;

$$P_c = A_c + B_c \text{ Im}_c / \text{Io}_c$$

Note:

P<sub>c</sub> – Price adjustment factor for part of contract payment to be paid in the currency C;

A<sub>c</sub> and B<sub>c</sub> Rates<sup>11</sup> indicated in the Special Conditions of the Contract that show the shares of adjustable and non-adjustable parts of the contract payment to be paid in the currency C;

Im<sub>c</sub> – Index prevailed on the last day of the month for the currency C of the claim (or bill);

Io<sub>c</sub> – Index prevailed on the day of tender opening for the currency C.

44.2 If the indexes changed after the estimation had been made, the estimation must be revised and the bill of the next payment must also be adjusted in same manner. When calculating indexes, all the changes in the costs resulted from the price fluctuations must be considered.

**45 Collateral**

45.1 The client will deduct a certain percentage of payment as indicated in the special conditions of

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<sup>11</sup> The addition of the rates A<sub>c</sub> and B<sub>c</sub> for each type of currencies equals to 1. These rates are usually the same for most currencies. The rate A, which belongs to the non-adjustable part of the payment, is a similar indicator that reflects constant prices and other non-adjustable elements (mostly 0.15). Adjustment amount of each currencies will be added to the contract price.

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the contract each time he makes payments to the contractor.

45.2 The 50% of the deducted payment will be paid to the contractor based on the statement of work completion while the remainder will be paid based on the statement issued by the Project Manager after the end of the warranty period in order to certify that the contractor eliminated all breaches and defects that arose during the warranty period.

45.3 Having completed the works, the contractor can be paid in advance from the collateral as long as he supplied the client with bank guarantee. The amount of the advance payment from the collateral must be the same as that indicated in the bank guarantee.

**46 Default payment**

46.1 The contractor is obliged to pay default payments which are to be estimated by the rate indicated in the special conditions of the contract for the days exceeding the planned completion date. Total amount of the default payment must not exceed the maximum amount indicated in the special conditions of the contract. The client is allowed to deduct the default payment from the amount to be paid to the contractor. Paying the default payment will not affect the contractor's obligation.

46.2 If the date of completion was extended after the default payments had been made, the client must adjust the amount of next payment with the overpaid amount of the default payment. The contractor will also be paid interest on the overpaid amount with the rate indicated in the Article #40.1 for the period from the date of payment to that of settlement of the overpaid default payment.

**47 Bonus**

47.1 If the contractor completes the works before the planned date of completion, he will be paid a bonus with the amount indicated in the special conditions of the contract for each day from the date of actual completion to the planned. When the contractor completes the works before the planned date of completion, the Client will issue the relevant statement.

**48 Advance payment**

48.1 The client will pay the advance payment indicated in the special conditions of the contract to the contractor in due time. The advance payment will be made based on a bank guarantee with the amount equaling to that of the advance payment expressed in same currency or a guarantee for advance payment issued by a bank under the unresisting condition. Interest will not be paid for the advance payment.

48.2 The contractor must spend the advance payment only for the expenses related to equipments, facilities and materials necessary for implementation of the contract. In order to prove the proper expenditure of the advance payment, the contractor must submit copies of relevant bills and other documents to the Client.

48.3 The advance payment will be settled by deducting the amount of the advance payment from the amount that the client must pay to the contractor for the implemented phase works. Advance payments and their settlements will not be considered in calculating prices of implemented works, alteration, price adjustment, compensation, bonus and amount of default payments.

**49 Performance security**

49.1 The contractor must have the performance security prepared by an acceptable bank with the

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due amount in the specified form and submit to the client in due time. The validity period of the performance security must not expire within 28 days after the statement of work completion is issued.

**50 Work-day**

- 50.1 Payments for additional jobs with small amount will be settled using the unit price of the work-day as specified in the proposal the based on written instructions given in advance by the Client.
- 50.2 The contractor will record all jobs to be paid for based on work-days into the form approved by the Project Manager. The Project Manager will check and approve the filled forms within 2 days after the jobs are implemented.
- 50.3 The payment will be paid to the contractor based on the approved form of work-day.

**51 Cost of maintenance**

- 51.1 The contractor will fix any losses and breakdowns in materials and works resulted from the contractor's activities or no-conducted actions with his own fund throughout the period from the day of work commencement to the end of the warranty period.

**E. Completion of the contract**

**52 Completion of work**

- 52.1 The contractor should request the Project Manager to submit the statement of completion. If the Project Manager accepts the completion of the works, he should deliver the statement of completion. The contractor should have restored green facilities, squares, roads and streets if they were affected during the implementation of the works after finalizing maintenance of the surrounding environment.

**53 Transfer**

- 53.1 The client takes over the worksite and the completed work within a week after the submission of the statement of completion by the Project Manager.

**54 Final settlement**

- 54.1 The contractor should prepare detailed estimation of the total payment in accordance with the contract and submit it to the Project Manager before the end date of the quality guaranteed period. The Project Manager should deliver a statement whether defaults and defects have been fixed and determine the final payment to be transferred to the contractor within 28 days after receiving the estimation submitted by the contractor if it is correct and acceptable. If the estimation is incorrect, the Project Manager should deliver explanations about the necessity to amend or correct the estimation to the contractor within 28 days. If the amended or corrected estimation does not meet the requirements, the Project Manager set the amount of payment and makes statement on payment.

**55 Operation and maintenance manual**

- 55.1 The contractor should hand over relevant acts if technological equipments, under ground facilities, engineering lines and work drawings were experimented and calibrated, or manual

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on operation and maintenance if the client required in due time indicated in the special conditions of the contract.

- 55.2 If the contractor fails in submission of the documents indicated in Chapter 5.55.1 in due time indicated in the special conditions of the contract or the submitted documents were not approved by the Project Manager because of their low quality, the Project Manager is obliged to deduct the amount indicated in the special conditions of the contract from the total amount to be paid to the contractor.

**56 Termination of the contract**

- 56.1 The contractor can be terminated by any of the client and the contractor if one of the parties considers the other violated the contract seriously.

- 56.2 The below are the circumstance to be considered, but not limited to, as serious violations of the contract.

- (a) Work has been suspended by the contractor for more than 28 days while no indication is reflected-in the work program or before the Project Manager approves the decision about the suspension of work;
- (b) The decision to stop the work given by the Project Manager to the contractor was not cancelled within 28 days;
- (c) Either the client or the contractor went into bankruptcy, or was dismantled for other purposes than merger and restructure;
- (d) The client failed in settlement of the payment that had to be made in accordance with the statement of payment submitted by the Project Manager within 84 days from the submission date of the statement;
- (e) The contractor was informed by the Project Manager that his/her failure in fixing certain defaults and defects is considered as a serious defaults of contract obligations and the contractor fails again in fixing the defaults and the defects in due time indicated in the statement.
- (f) The contractor did not supply the guarantee requested by the client;
- (g) The contractor did not complete the work by the period indicated in the special conditions of the contract as a period for application of maximum default payment.

- 56.3 If a statement of contract violation by one of the contracted party was submitted to the Project Manager and the violation was not those indicated in the Chapter 5.56.2, the Project Manager should identify whether the violation is serious or not.

- 56.4 The client has rights to terminate the contract without considering the above mentioned if necessary.

- 56.5 In the case of contract termination, the contractor should stop the work immediately, ensure the entirety and the safety of the worksite and release it as soon as possible.

**57 Payment for contract termination**

- 57.1 If the contract was terminated due to the serious violation by the contractor, the Project Manager makes a statement that certifies the evaluation of implemented works and ordered materials. When making the statement, the amount of works uncompleted as of the date of the statement should be considered as those indicated in the special conditions of the contract and
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must be subtracted from the evaluation. An additional default payment must be imposed on the contractor. If the payment from the contractor to the client exceeds that from the client to the contractor, the difference will be a debt by the contractor to the client.

- 57.2 In the case of a termination where the client violates the contract seriously or the client demanded to terminate, the Project Manager make statement after verification of all the costs spent by the contractor such as prices or evaluation of conducted works and ordered materials, transport cost for the removal of the equipments from the worksite, costs for returning workers hired by the contractor for the implementation of the works and costs for security and safety of the worksite. All the advance payments paid until the issue date of the statements will be subtracted from these costs.

**58 Property**

- 58.1 If the contract terminated by the client due to the contractor's faults. All of the materials, facilities, equipments, by-works and the works at the work field and paid by the client will be considered as properties of the client.

**59 Exemption from obligation**

- 59.1 If the contract became unable to implement due to force majeure conditions, the Project Manager is obliged to certify the conditions. Having received the statement, the contractor ensures the entirety of the worksite and stops working as soon as possible. The client is obliged to pay the contractor the amount for the works completed before the statement and done by orders after the statement.



## Chapter 6. Special Condition of Contract

### 1 Part of the Contract Document

The following documents will be a part of the contract:

Chapter 5.55	Operation and maintenance schedule
Chapter 5.8	Schedule of other contractors
Chapter 5.14	Report of worksite survey

### 2 Definition of Article contents

- 2.1 Chapter 5.1 Client: Governor of Khoroo 7, Sukhbataar District, Address: \*\*\*\*, Sukhbataar District, Ulaanbaatar City
- 2.2 Chapter 5.1 Project Manager: Mr. \*\*\*\*
- 2.3 Chapter 5.1 Name of the contract and registration No. 20120120
- 2.4 Chapter 5.1 The works consists of collection of house waste generated waste (hereinafter: the Waste) by Khoroo \*\* citizen, \*\*\*\* District, Ulaanbaatar City, transport and discharge the waste to Naragiin Enger Disposal Site which located in Songinokhirhan District, Ulaanbaatar City.
- 2.5 Chapter 5.1 Chapter 5.1 Date of commencement: [Specify the date]
- 2.6 Chapter 5.1 The work field is located in Khoroo \*\*, \*\*\*\* District, Ulaanbaatar City
- 2.7 Chapter 5.3 The contract documents will be written in Mongolia
- 2.8 Chapter 5.3 Laws of Mongolia will be applied in the contract.
- 2.9 13Chapter 5.13 Items to be covered by the compulsory insurances and their minimum insurance payment are the following:
- (a) The minimum amount to be paid by the contractor for casualty and life insurances will be the following:
- (1) [Specify the amount] for employees of the contractor.
- (2) [Specify the amount] for other people.
- 2.10 Chapter 5.17 planned date of work completion: [Specify the date]
- 2.11 Chapter 5.1 Date of commencing work field utilization: [Specify the date]
- 2.12 Chapter 5.40 The payment period will be within 30 days since the issue date of statements of payment.
- 2.13 Chapter 5.41 The following circumstance will also be considered as a condition of compensation:
- 1) Fluctuation of Fuel price: If fuel price will increase more than 20% against price fuel as date of Contract signed.
- 2.14 Chapter 5.44 In accordance with the Article #44 of the general conditions of the contract, the contract price will be adjusted. The following items

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- related to the coefficient will be used
- 2.15 Chapter 5.44 Adjustment coefficient:
- (a) As for [specify the type of currency]:
    - (1) Non-adjustable part will be [specify in percentage]. (Coefficient A)
    - (2) Adjustable part will be [specify in percentage]. (Coefficient B)
  - (b) As for [specify the type of currency]:
    - (1) Non-adjustable part will be [specify in percentage]. (Coefficient A)
    - (2) Adjustable part will be [specify in percentage]. (Coefficient B)
- 2.16 Chapter 5.44 Index of the domestic currency will be [specify the index].
- 2.17 Chapter 5.44 Index of the specified currency will be [specify the index].
- 2.18 Chapter 5.44 Index of other currencies will be [specify the index].
- 2.19 Chapter 5.45 The share of the collateral will be 5% of payable amount in each payment.
- 2.20 Chapter 5.46 Default payment rate will be 2% of the contract price per day.
- 2.21 Chapter 5.46 The maximum default payment for the whole works will be 5 % of the contract price.
- 2.22 Chapter 5.48 The total advance payment will be 10% of the Contract Price and will be paid to the contractor within 30days from contract is signed.
- 2.23 Chapter 5.49 The amount of the performance security will be more than 10% of the Contract price.
- 2.24 The security performance must be made in accordance with the form indicated in the Chapter 7 of the tender document.

## Chapter 7. Contract Forms

### 1 Form # CF-1

<b>Approved by:</b>		<b>Accepted by<sup>12</sup>:</b>
CLIENT	Contractor	<i>[Supervising official of the organization to authorize financing]</i>
_____	_____	_____
(Stamp)	(Stamp)	(Stamp)
_____	_____	_____
(Signature)	(Signature)	(Signature)
_____	_____	_____
(Position)	(Position)	(Position)

**Contract for the Project on Waste Collection & Transportation at Khoroo \*\*, \*\*\*\*\* District**

No. 20120120

..... city/province

Government of \*\*\*\*\* District (hereinafter to be referred to as the client) from one side and *[name of the contractor, names of his/her residing city and country]* (hereinafter to be referred to as the contractor) from the other side have reached an agreement on the following items and established this contract on \*\*\*\*\* (day, month, year).

1. The objectives of this contract are to regulate relations between the client and the contractor on construction of engineering facilities, or implementation of renovation and installment of equipments in accordance with the Civil Law, Law on Construction and other relevant laws and regulations; and to clarify their duties and obligations.

2. The client here accepted the implementation of the Project on Waste Collection & Transportation at Khoroo \*\*, \*\*\*\*\* District : Contract number \*\*\*\*\* hereinafter to be referred to as "works") with *[contract price by numerals and letters]* (hereinafter to be referred as "contract price") which was proposed by the contractor. The contract price or the total budgeted costs of the works will be the total financing.

3. Total contract price: \_\_\_\_\_ Tg. Of which:

From the State Budget: \_\_\_\_\_ Tg in 20\*\*

From the Local Budget: \_\_\_\_\_ Tg in 20\*\*

From own fund: \_\_\_\_\_ Tg in 20\*\*

4. The contractor will start the construction (renovation, installment of equipments etc) works of \_\_\_\_\_ (floors \_\_\_\_\_, coverage \_\_\_\_\_, wall \_\_\_\_\_, basement \_\_\_\_\_, volume \_\_\_\_\_ m<sup>3</sup>, arca \_\_\_\_\_ m<sup>2</sup>, capacity of \_\_\_\_\_) located in/at \_\_\_\_\_ together with its engineering facilities \_\_\_\_\_ (for supply of heat, electricity, water and waste

<sup>12</sup> If the client and the finance authorizing organization are same organization, this part will be deleted.

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water) and the annex \_\_\_\_\_ on ... [date] and transfer them on .... [date].

5. The following documents will be inseparable parts of the contract (hereinafter to be referred as "the contract document"):

- 5.1 Statement of granted rights for establishment of contract;
- 5.2 Other necessary documents;
- 5.3 Bill of quantities;
- 5.4 Special conditions of the contract;
- 5.5 General conditions of the contract;
- 5.6 Technical specifications;
- 5.7 Drawings;
- 5.8 Phased work schedule submitted by the contractor;
- 5.9 Schedule of financing;
- 5.10 Work implementation schedule.

The contract will be the final agreement between the parties and replaces all those made before. If the contract documents contradict one another, the priority will be set based on the above order and the contradiction will be solved.

6. The rights and obligations of the both parties are indicated in the general and special conditions of the contract.

7. The contractor is obliged to implement the works and to fix any defaults and defects found based on the payment to be made by the client in accordance with the conditions of this contract.

8. The client is obliged to transfer the contract payments to the contractor based on his/her performance of work implementation and elimination of any defaults and defects.

9. The parties will communicate each other in written statements or telephone regarding the issues related to the contract.

Representing the Client:

[Name and position]  
[Signature] \_\_\_\_\_

STAMP

[address of the client]  
[Tel/Fax]  
[Bank account, No of account and name of the bank]

Representing the Contractor:

[Name and position]  
[Signature] \_\_\_\_\_

STAMP

[address of the client]  
[Tel/Fax]  
[Bank account, No of account and name of the bank]

2 Form # CF-2

Performance Security Form  
(Bank guarantee)

To: *[Name of the client organization]*

In relation to *[Name of the contractor]* (hereinafter to be referred to as "contractor") has been decided to implement the works indicated in the Project on Waste Collection & Transportation at Khoroo \*\* \*\*\*\* District (hereinafter to be referred to as "contract") under the contract # ... dated on ... day ... month ... year:

*[Name of bank]* (hereinafter to be referred to as "bank") is here presenting the following as a guarantee for the implementation of the contractor's obligations based on the indication in the contract to submit a bank guarantee issued by a bank acceptable to the client for the below amount:

On behalf of the contractor, the bank will be responsible for the payment with the amount not exceeding *[specify the amount to secure in numerals and the type of currency]* (*[specify the amount in letters and the type of currency<sup>13</sup>]*) before Governor of \*\*\*\* District (hereinafter to be referred to as "client") and undertake the duty to transfer the payment without any resistance immediately after the receipt of an initial requirements by the client that state the contractor's violation of its contract obligations. The bank will not demand the client to supply any evidences, basis and explanations for the specified amount *[secured amount in numerals and letters and the type of currency]*.

Any changes in the conditions of the contract signed between the client and the contractor, alteration in the works to be implemented under the contract and amendments of the contract documents will not affect the duty of the bank under this performance security. Submission of any statements about the above-mentioned changes to the bank is not necessary.

This performance security is valid for 28 days from the issue date of statement of work completion.

Respectfully Yours,

\_\_\_\_\_ signature of the authorized person of the bank  
name and the position

Stamp of the bank

Date: \_\_\_\_\_

Address: \_\_\_\_\_

<sup>13</sup> The amount will be specified by the guarantor and will be specified in percentage of the contract price. The currency will be those of the contract or accepted by the client.