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General Terms and Conditions

Selection of Contractor

Purchase, Operation and Maintenance for

CHP unit

(or search for SP)

Investor (or Client):

S.C. .A.S.A. Servicii Ecologice S.R.L.

Arad, Romania

March 2010

General Terms and Conditions for Selection of Contractor for

Purchase, operation and maintenance of CHP unit (or search for SP)

S.C. .A.S.A. Servicii Ecologice S.R.L. (ASA) as the **Client** hereby announces the private tender for implementation of the project **landfill gas utilisation**, in harmony with the relevant Romanian legislation.

A. Subject of Tender

A.1. The investor/client **S.C. .A.S.A. Servicii Ecologice S.R.L.** is searching for contractor/strategic partner (further SP) for utilization of gas at its landfill in Arad.

The applicant should implement (after contract with client) the CHP unit utilizing the landfill gas. Within the scope of the submitted offer (technical documentation and business condition for purchase, operation and maintenance of CHP unit) the client wishes to close contract and implement the unit within next 3 Months (planed/wished start of operation is 07/2010).

A.2. The client welcomes variants (like described further, line 1–3 in Excel file attached) and client is free to choose the final version of co-operation with SP.

Description of situation existing:

Re-cultivation of landfill body 1,2 hectares, degas system: made already by client .A.S.A.

The performance expected (of 7 new boreholes + 2 existing wells under re-cultivation area, 1 well from LF building outside of re-cultivated area) is 200m3/h.

Performance of 3 boreholes + 1 well: under operation nowadays: 120m3/h, with 45 – 52% CH4 - verified by test.
Next 4 boreholes and 2 wells will be implemented after finishing of re-cultivation (after sealing of top of boreholes).
During 2010 next 2 - 4 wells (under construction of LF operation) can be connected to this degas system after finishing of LF surface.
The final volume of waste under degassing (7 boreholes + till 6 wells) will be ~ 300Ttons waste – expectation end of 2010.

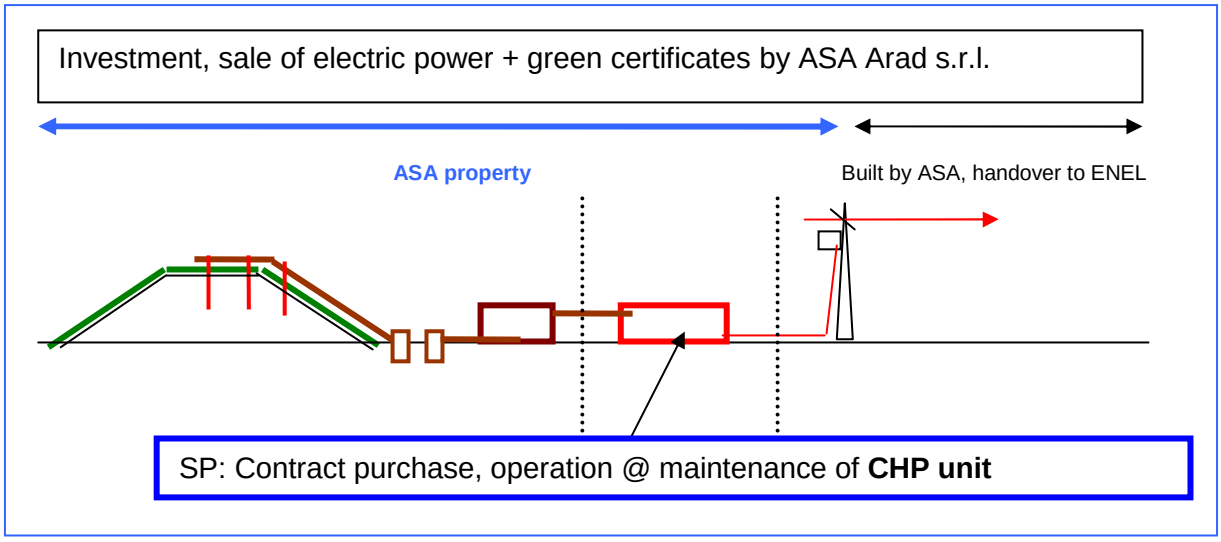
Degas system, collecting wells/boreholes equipped, regulation of shafts, collecting pipes, condense separator, degas station; flaring (burner) exists already, in function. Degas station: incl. equipment, automatic safety system, measure and control system unit, automatically data control unit, on-line reporting to the ASA headquarters and manufacturer maintenance centre – exist already.
The degas unit description: 1 degas pump, 400m3/h; output pressure 6 – 8 KPa, ΔP = 15 KPa. Second pump can be installed anytime if need for increase of performance.

Power: trafo station, connection to the electric power grid (feeder main): will be done by ASA (expectation: till end of **06/2010**), property and maintenance by client, the performance of cell trafo station: 1MW, with possibility for expansion, high voltage feeder main to the grid: 2MW.

To be offered by applicant, future contractor/SP:

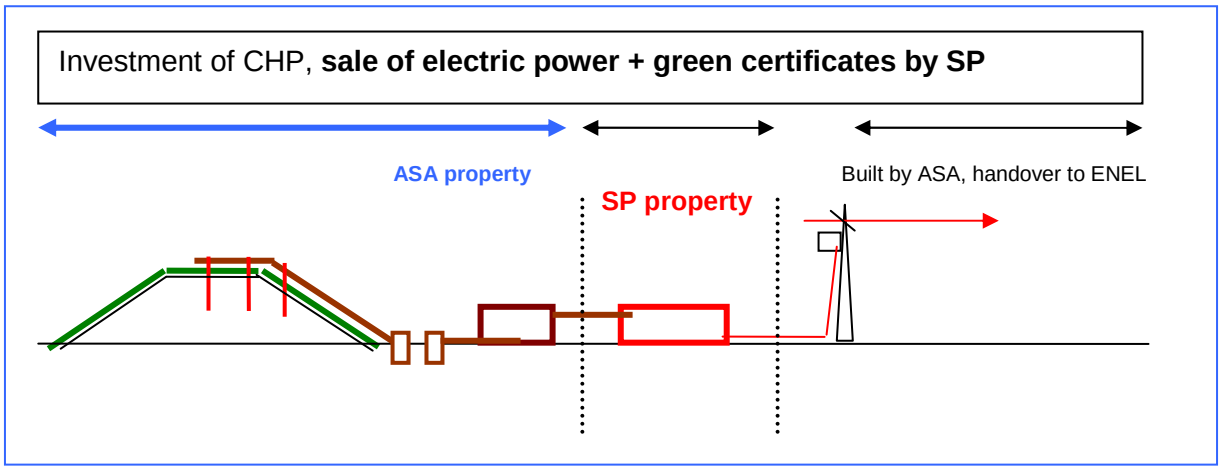
Possibility 1: **.A.S.A. Servicii Ecologice SRL purchase of CHP, maintenance and operation by long term contract** (line 1, 2, of excel sheet):

1. Co-generation unit (CHP) including cooling system and heat exchanger (wished 200kW, 90/70℃):



In case of purchase of equipment (CHP unit) by .A.S.A., delivery from SP: turnkey, installed at ASA Arad LF site, including project (of building and electricity works) and engineering, incl. connection to the ASA trafo station.

Possibility 2: **.A.S.A. Servicii Ecologice SRL investment and operation of all facilities before CHP, sale of gas to SP behind degas station, CHP investment, O&M, and sale of energy & green certificates by SP,** (trafo, feeder main – property of ASA, eventual local grid operator (ENEL), line 3 of excel sheet) :



In case of possibility 2: Contract for sale of gas: **8 years** after start of operation. No exclusivity for SP in case the production of landfill gas will exceed the consumption of CHP of SP, the client is free to sale surplus of gas. No obligation to close next contract for second and next CHP unit(s) with SP.

.A.S.A. don´t take any liability or guarantee for quality and quantity of landfill gas. Only priority of Contractor will be agreed between parties - full power consumption of CHP unit installed by SP acc. to this tender and contract, will be covered with priority.

A.3. Re-cultivation and future degas system enlargement will be done by .A.S.A.

A.4. The offer is binding for the applicant until the decision about allocation of the order, but not longer than for 3 (three) months from the bid-submission date. All technical data, deadlines, prices and other data specified in the tender shall be deemed binding, but the applicant is invited to propose alternative offers, or only alternative solution fitting to him, or other alternative in addition to the tendered data, which must be stated separately (see section C.4). The text of the tender can´t be changed unilaterally by the applicant.

A.5. The interest of client is to get the best possible solutions in order:
- to have optimal and safe exploitation of landfill gas
- to get best economical effect /efficiency from degassing of landfill and utilization of landfill gas
- as next effect: to implement heating of ASA facilities at the site, using the thermal energy arising by work - cooling of CHP unit, expected performance of exchanger is 200 kW. The exchanger has to be part of CHP unit.

A.6. The offerer/applicant should choose the fitting variant (line 1–3) or prepare other variant / alternative.

A.6.1. Client will evaluate Offered prices and conditions (CHP unit, O&M costs, conditions for purchase):

Var. 1:

- Price and technical specifications of power unit,
- Price of operation and maintenance of CHP installed
- Draft of service and maintenance contract, or conditions of such contract

Var. 2:

- Model and conditions (juridical and economical) of co-operation between ASA and SP. This model should be created by applicant.

Var. 3:

- Price of gas paid to the client (ASA) in variants **…… €uro/Nm3** or **…..€uro/kWh**, or other solutions of remuneration, way of counting, incl. green certificates.

A.6.2. References of application of similar projects should be submitted like attachment of offer.

A.6.3. Applicant should fill in the excel sheet attached in all positions fitting to his offer.

B. Main tender dates / time schedule expected:

B.1. Bid invitation, tender publishing: 23.03.2010

B.2. Time schedule of tender:

- Offers submission 12.04.2010
- Offers evaluation, start of negotiation: 20.04.2010
- Contract ASA Arad – SP: ASAP

B.3. Technical support (by SP, building documents): 01.06.2010 expectation
Hand-over of functional **"turnkey"** building 3 Months after contract

The completion date is the date of takeover of the building by the Client in compliance with the project documentation and the Work Contract. Afterwards the trial run of system will start; the expected trial operation of system is 6 Months. Guarantee period should be defined by Tenderer.

B.4. The price shall be in RON or Euro, exclusive VAT and the VAT as a separate item. Conditions of delivery should be defined.

B.5. The applicant shall prepare and submit the bid at its own costs.

C. Place and Method of Tender Submission

C.1. The offer shall be submitted by: 12.04.2010 (at 12.00 a.m. at the latest)

C.2. Place of delivery:

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310580 Arad, Soseaua Centura Nord, FN, Jud. Arad, Romania
Tel.: +40/749522792, Fax: +40/741718688,
E-mail: arad@asa-group.ro

In attention of: Mrs. Roxana Stoica, country manager.

C.3. Number of submitted offers: **2** hard copies **in English language** in a sealed envelope with stamp and signatures of authorized representatives of the tendering company, plus electronic version of offer in PDF.

C.4. All changes not respecting this tender and amendments / variants must be listed separately at the end of the text of the offer as "**Alternatives".**

C.5 The tender documents are free, public invitation by publishing at ASA RO home page www.asa-group.ro ; eventual changes of tender will be published there as well.

C.6 All questions of applicants will be answered by e-mail.

Applicants are allowed to visit the landfill site and landfill equipment after request to Mrs. Roxana Stoica – country manager of **.A.S.A. Servicii Ecologice SRL**, they are free to gather their own information about landfill gas generation (special measurements by themselves and calculation of expected performance wished) on the basis of examination of the landfill site.

Applicant should check the technical conditions (inside and outside of the ASA Arad landfill site).

On the basis of agreement with the Client the applicants will have possibility to check the project solution with ASA Arad local managers.

C.6 The Client is not obliged to accept alternatives proposed by the applicant. However, alternative technical and business solutions may be attached separately to the tender as supplements and client will evaluate them.

D. General Terms and Tender Conditions

D.1. The tender is not public.

D.2. The Client has the right to:

- **Accept none of the submitted offers, cancel the tender at any time without giving the reason for the cancellation, or renew the tender at any time**

- **Close the negotiations concerning the Delivery, Operation and Maintenance Contract(s) with the selected company if an agreement about terms and conditions of the contract(s) cannot be reached**

- **Order the Work from any other applicant off-hand**

- **Order individual parts of the project from different applicants and become coordinator of the works, or entrust the coordination to one of the selected contractors**

D.3. The applicant for the Contract(s) shall bear all costs for preparing of the bid.

D.4. The Client hereby agrees not to use the submitted bids for any purpose than for conclusion of the Contract and implementation of the Work.

D.5. By submitting the bid the representatives of the applicant explicitly confirm the following:

- To be authorized for implementation of the building works and activities specified in the tender conform to Romanian law and business conditions
- To fully respect the terms and conditions of the tender as specified in these Terms and Conditions for Selection of Contractor / SP.

D.6. The applicant shall appraise all the required works following the situation existing, on the basis of experience with similar projects implemented by him in the past. The guideline will be his own draft of technical solution which should be delivered to client with his offer.

D.7. The applicant guarantees that the contractual price of the Work, including the prices of the individual buildings and items, shall include all necessary works, including works not explicitly mentioned but inherent in the technical solution and technologically inevitable, usual, or necessary or needed for the building completion (use of materials, connections, mechanization, labor, power, communications, partial technological operations, test fillers, first fillers, connections, funding of manufacture, rentals, etc.) The price of delivery of turnkey facility (solution 1) should include all necessary activities.

D.8. The applicant shall check completeness of the materials and inform the Client immediately about any discovered incompleteness in the form of written supplement to the tender.

D.9. On discovery of a discrepancy in the project documentation the applicant shall inform the Client about that in an official way. Specification of the technical solution outlined in the documentation may be consulted with the client. If a detailed project documentation of the building or parts is needed for the work implementation then the applicant shall provide it in the context of the tender, taking this into account in the

tender price. The additional documentation shall be submitted for approval to the Client.

D.10. The applicant shall become acquainted with the condition of the building site, including the location of the existing infrastructure, access to the building site, supply of power and water, using of roads and fields necessary for implementation, and other circumstances that might affect the completion deadline, the quality of the building works, and/or the price of the work.
Ignorance or forget of some parts of delivery in the offer (bid) shall not constitute a reason for later increase of the price, decrease of the quality, decrease of the guarantee, or any other additional claims of the contractor.

D.11. All documents, descriptions, labels, stickers, warnings and informations at the CHP unit, as well as documents and legends should be in Romanian language.

D.12. The applicant agrees to accept all binding Romanian and European technical standards applied to the project and to implement the work in compliance with the standards, including all applicable regulations and decrees, especially local, related to the subject of the tender.

D.13. The applicant shall submit with offer the following materials as supplement to the tender:

- **The trading certificate or other authorization for its business activity**
- **A copy of its registration, including a confirmation of no change in the data since the registration date**
- **A reference list of facilities adequate to the order**
- **Alternatives (if any)**

E. Terms and Conditions for conclusion of the Contract

E.1. The future Work Contract will be concluded between the **Client** and the **Contractor** (applicant). The Client can close more partial contracts regarding matter of this tender, he is free to buy different parts of this issue by different contactors. The contractor should include/accept all existing conditions as specified in the tender and in situ, his offer and offer project must comply with Romanian law (building permit, water management authority approval, EIA conditions - if necessary, etc).

E.1.2. The place of the building implementation shall be the **locality: ASA Arad landfill site**, in the cadastral area of the town of Arad, Romania.

E.1.3. The deadlines of completion of partial works and of the building as a whole shall be specified in the Work Contract.

E.2. Documents for the Contract conclusion:

E.2.1. In the case of selection, the applicant agrees to conclude (close) the Work Contract according to:

- Contents of the tender
- Project documentation / project quantification
- Statements and approvals of authorities, especially including the building permit, unless the approvals changes the terms and conditions of delivery of the work
- The relevant technical standards and special regulations
- The Romanian norms and law should be fully respected

E.3. Terms and conditions of building, implementation, instalation:

Special contract with terms and conditions of service (operation a,d maintenance) will be offered by applicant, including payment conditions

E.4. Payment conditions

E.4.1. The Client will define payment conditions.

E.4.2. The final balance invoice – tax invoice – shall be issued by the Contractor after proper completion of the building and confirmed takeover of the work by the Client.

E.4.3. Potential comments to the documentation and Contract proposal may be included in a supplement to the tender.

Final Provisions – confirmation of the Tender:

- We hereby confirm to be familiar with the complete terms and conditions of the present tender proceeding and with the terms and conditions of the contract conclusion.
- We hereby further confirm to have become acquainted with the building site and local condition, traffic and other visible or expected circumstances that might affect the completion deadline, the price and/or the quality of the work before calculating the tender price.
- Neither the Client nor the supervisor of the Client shall take responsibility for guarding of the building site, night watching, or for potential damage on the building site.
- We hereby further confirm to be authorized to perform the tendered activities and to only subcontract entities having the appropriate authorizations. We confirm to possess sufficiently qualified labor and other means for implementation of the tendered tasks within the agreed deadlines.

- The company hereby agrees not to employ labor not having the relevant work permit for the purpose of the building in question.

Date.....

……
Company seal and signature of authorized representative

Supplement to be delivered by applicant with technical and business offer:

1) Trading authorization as of D.13.
2) Annual balance sheets of the company for the past 3 years, including auditor's statements
3) Reference list as of D.13.
4) Schedule of works offered by applicant (preliminary draft only)
5) Alternatives (if any)
6) Potential comments as of F.4.3.

Arad, on 23.04.2010

Roxana Stoica, country manager

on behalf of tenderer / client

S.C. .A.S.A. Servicii Ecologice S.R.L.