

PUBLIC INVITATION

for submission of bids for incorporation of joint venture for the purpose of reconstruction and management of the convention center

Invitation code: ZPD 1/16

City of Belgrade invites all interested domestic or foreign legal entities and/or individuals (hereinafter: Potential Partner) to submit bids for participation in the process of selection of partner (hereinafter: Partner) for incorporation of joint venture for the purpose of reconstruction and management of the convention center.

Incorporation of joint venture

Procedure of incorporation of joint venture will be carried out in accordance with Articles 50 and 140 of the Company Law ("Official Gazette of the Republic of Serbia" nos. 36/2011, 99/2011, 83/2014 and 5/2015), wherein the City of Belgrade would own 51% of shares of the joint venture, while the Partner selected by the City would own remaining 49% of shares of the joint venture.

City of Belgrade would provide only contribution in kind – initially the buildings located at Milentija Popovica 9/Vladimira Popovica 12, Belgrade, cadastral lot no. 2829/2, inscribed in the real estate folio of the Cadastral Municipality of New Belgrade no. 4131 (hereinafter: Convention Center), while the partner would provide cash contribution, in accordance with its bid which will be incorporated in the joint venture agreement (hereinafter: Agreement). Agreement would regulate additional contributions by the City of Belgrade and the Partner.

Reconstruction and improvement of management

For the purposes of this invitation, reconstruction means complete refurbishment of infrastructure of the Convention Center, with particular focus on construction of new facilities as well as improvement of the energy efficiency of the Convention Center.

In addition, for the purpose of this invitation, management means professional management experienced in tourism, as well as in management of convention centers of similar size like the Convention Center.

Selection procedure

All interested parties that have signed the Non-disclosure Statement have the right to submit bids, provided that they fulfill the following conditions:

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1. If Potential Partner is legal entity, itself, its founders or statutory representatives have not been subject to prohibitory injunction effective at the moment of submission of bid in accordance with this invitation;
2. If Potential Partner is legal entity registered with competent authority of the Republic of Serbia, it has settled all due taxes, contributions and other public levies;
3. Potential Partner or member of consortium have jointly generated at least EUR 20m of business income in previous financial year;
4. It will secure manager or management that will be entrusted with the Convention Center, with at least 10 years of experience each, out of which 5 years have been spent on management of convention centers of similar size as the Convention Center;
5. It has appropriate experience in realization of projects of similar size and scope (e.g. reconstruction or construction of buildings of similar size as the Convention Center, or realization of investment worth at least EUR 20m).

City of Belgrade will run two stage procedure.

First stage (RfQ)

In the RfQ stage, Potential Partners need to submit appropriate evidence on fulfillment of conditions:

<i>Condition</i>	<i>Evidence</i>
A. Legal capacity – legal existence, registration and business	<ol style="list-style-type: none"> 1. Excerpt from the corporate register of the relevant jurisdiction, not older than 6 months 2. Certificate issued by competent authority confirming that Potential Partner, its founders or statutory representatives have not been subject to prohibitory injunction, not older than 1 month 3. Certificate issued by the competent authority confirming that it has settled all due taxes, contributions and other public levies 4. Signed and stamped (if applicable) certified statement wherein the authorized representative confirms that all information contained in the bid is true and correct, under full criminal and civil liability
B. Financial capacity – at least EUR 20m of annual business income	<ol style="list-style-type: none"> 1. Audited financial statements for last 3 years

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<p>B. Staffing – engagement of professional management experienced in management of convention centers of similar size as the Convention Center</p>	<ol style="list-style-type: none"> 1. Engagement agreement for the person having appropriate references, certified by the competent public authority 2. List of references with details concerning relevant convention centers (size, number of seats etc.), period under management, as well as business results achieved in the relevant period 3. Confirmation of the relevant convention center confirming the relevant reference as true (for each reference) signed by the authorized representative and stamped (if applicable)
<p>Г. Business Capacity – successful realization of at least 3 similar projects in past 10 years</p>	<ol style="list-style-type: none"> 1. List of references with details concerning place, subject, time, duration and value of the project 2. If the project was implemented under certain form of long-term relationship with public authorities (e.g. joint venture, PPP, concession etc.), certificate issued by the relevant authority signed and certified by the authorized representative of such authority (for each reference)

Certificates issued by the public authorities are submitted in original or copy certified by the competent public authority, with appropriate legalization formalities applicable depending on the jurisdiction where such document has been prepared or issued. Documentation submitted by the Partner is submitted in original form or copy certified by the Partner.

All documents are submitted in Serbian, or translated to Serbian by the court-sworn interpreter.

All documents are submitted in sealed envelopes, separately for each group of conditions/evidence, with designation of each relevant group, and designated ZPD 1/16. Name, address and contact phone number of each bidder shall be designated on the back of the envelope.

Documentation that does not comply with these formal requirements will not be evaluated.

Documentation (bid and supporting documents) is submitted in one copy, as well in one electronic copy on a CD.

Bid and supporting documents shall not be returned to the bidder.

Partner must fulfill all conditions stipulated in this invitation cumulatively.

Bids that do not fulfill all conditions stipulated in this invitation cumulatively will not be evaluated.

Bids are submitted by mail or directly to the Registry Office of the City Assembly of the City of Belgrade, Dragoslava Jovanovica 2, 11000 Belgrade, by 12 November 3:30 PM.

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Mayor of the City of Belgrade has formed by its resolution a special body (hereinafter: Tender Committee) that will evaluate all the bids, and select Qualified Partners within 10 days since the expiry of deadline for submission of bids.

In case of consortium or other form of joint undertaking of Potential Partners, all Potential Partners will be evaluated together.

City of Belgrade – Tender Committee reserves the right to request additional clarifications and documentation from the Potential Partners.

Second stage (RfP)

In the RfP stage, Potential Partners that have fulfilled all the conditions stipulated in this invitation and have been successfully evaluated by the Tender Committee (hereinafter: Qualified Partners) should submit bids:

<i>Bid element</i>	<i>Required documentation</i>
A. Financial proposal – amount of investment in reconstruction of the Convention Center/cash contribution to the joint venture, as well as financing plan and structure (debt or equity), not less than 15m EUR	<ol style="list-style-type: none">1. Financial proposal signed by the authorized representative2. In case of equity investment, confirmation by the relevant bank that the relevant funds are held on the account with that bank3. in case of debt investment, commitment letter of bank or other financier outlining the contemplated security package and expected time for disbursement
B. 10 year business plan – containing necessary resources for its realization, and considering potential effects to the future economic position of the joint venture as well as model of management of the Convention Center	<ol style="list-style-type: none">1. Business plan signed by the authorized representative
C. Reconstruction schedule – schedule and model of reconstruction, as well as latter investment works related to the Convention Center	<ol style="list-style-type: none">1. Reconstruction schedule signed by the authorized representative, which might include project for reconstruction

In the RfP stage, drafts of the joint venture and the shareholders agreement will be provided to the Qualified Partners for comments. City of Belgrade will not negotiate with Qualified Partners, but retains the right to amend the agreements in accordance with their comments.

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City of Belgrade will not provide any guarantees or security instruments in favor of financiers of the Qualified Partners, including mortgage over the Convention Center.

City of Belgrade expects continuity in business in respect of the scheduled conventions, as well as events that are in the interest for the City of Belgrade. In that respect, list of scheduled conventions, as well as priority events, together with expected terms thereof, will be provided to the Qualified Partners.

Qualified Partners are expected to take over certain number of employees from Public Enterprise "Sava Centar", which shall be clearly stipulated in the business plan.

Bid together with supporting documents is submitted in sealed envelopes designated ZPD 1/16. Name, address and contact phone number of each bidder shall be designated on the back of the envelope.

Documentation (bid and supporting documents) is submitted in one copy, in Serbian, as well in one electronic copy on a CD.

Bid and supporting documents shall not be returned to the bidder.

Bids that do not fulfill all elements stipulated in this invitation will not be evaluated.

Bids are submitted by mail or directly to the Registry Office of the City Assembly of the City of Belgrade, Dragoslava Jovanovica 2, 11000 Belgrade, by 22 December 3:30 PM.

City of Belgrade reserves the right to request additional clarifications and documentation from the Qualified Partners.

Tender Committee will evaluate received bids and each element thereof, and select the Partner within 1 month since the expiry of deadline for submission of bids.

Tender Committee will evaluate each bid element separately, and select a Partner with the biggest evaluation score. Bids will be scored as follows:

<i>Bid element</i>	<i>Maximum score</i>
Financial proposal	40:
- Total Investment	25
- Debt to equity ratio	15
Business plan	30
Reconstruction schedule	30:
- Planned scope of reconstruction	10

- Planned duration of reconstruction	10
- Position towards scheduled events during reconstruction	10

After the selection of the Partner, joint venture and shareholders agreement will be signed, regulating mutual rights and obligations of contracting parties, and specifically: investment and reconstruction schedule, model of management of the joint venture, additional contributions etc.

Access to documentation

All Potential Partners will be granted access to relevant documentation after signing of the Non-Disclosure Statement. Template of the Non-Disclosure Statement could be downloaded from www.beograd.gov.rs. Statement signed by the authorized representative is submitted by the partner directly to the Registry Office of the City Assembly of the City of Belgrade, Dragoslava Jovanovica 2, 11000 Belgrade, by 12 November 3:30 PM in two copies, with electronic copy sent by email to zpd@beograd.gov.rs.

Visit to the Convention Center

All partners could visit the Convention Center upon their request. Requests could be sent until the expiry of the deadline for the submission of bids by email to dragutin.nenezic@beograd.gov.rs.

Hold Harmless

City of Belgrade retains the right to terminate the procedure of the selection of the Partner, as well as to amend and revise the elements of this invitation and should be held harmless from any and all claims in respect of the costs or damages incurred by such termination, amendment or revision to any Potential or Qualified Partner or third parties.