

RFP03/2020 Water Balance Study for Kosovo & Support to Upgrade of
Hydro-meteorological Monitoring System

QUESTION & ANSWERS N°1 – 02.10.2020

Q1: *Can the submission deadline for RFP03/2020 be extended?*

A1: *Considering the requests from potential bidders, as well as the complexity of the assignment described under RFP03/2020, Skat Consulting Ltd. agrees to extend the submission deadline until October 30, 2020 at 16:30 CET. All other conditions and submission instructions remain unchanged.*

Q2: *Reference is made to page 8, footnote 9 “However, subcontracting in up to 25 % of the overall financial offer is possible...” This is in contrast to page 18, Notes “(...) 30% of the workload is assumed by local experts/support staff”. Please confirm if the percentage is related to the financial input or the time input. Please clarify whether sub-contracting of local personnel is possible up to 30%.*

A2: *The subcontracting described on page 8 (footnote 9) refers to the possibility of bidders to engage/partner with other legal entities (e.g., companies or organizations) for share of work with total value of up to 25% of the overall financial offer¹. Please note that in case of subcontracting only the qualifications of the main bidder will be evaluated (i.e., the main bidder has to meet all minimum requirements).*

On the other hand, the respective Note on page 18 only provides a suggestion/encouragement for bidders to consider involving local experts in the team, regardless of whether they are employed by the bidder, contracted individually, or offered by a possible subcontractor. The 30% serves for indication purposes only. This percentage can vary as deemed necessary by the bidders.

Please note that in this case individual experts aren't considered subcontractors (the term subcontractor refers only to legal entities).

Q3: *Reference is made to Annex 10, §17 Taxes. Could you please explain in detail the case where taxes are not exempted but the Contractor informed IWRM-K. Who will then pay the taxes? In case the Contractor pays the taxes, will the Contractor get reimbursed for the payment.*

A3: *IWRM-K is VAT exempt in Kosovo and as such extends this VAT exemption on their procurement of all goods, works and services in the country. IWRM-K claims this status based on an inter-governmental agreement between the Government of Switzerland and the Government of the Republic of Kosovo and shall extend the VAT exemption documents to the contractors. As per the Kosovo law on value added tax, supplies exempt from VAT with the right to deduct input include supply of goods or services under diplomatic and consular arrangements, supply of goods or services to international and inter-governmental bodies recognized as such by the public authorities of Kosovo, supply of goods and services made to the United Nations or any of its agencies, the World Bank and international inter-governmental organizations.*

If a bidder cannot effectuate the VAT exempt status they should warn IWRM-K in advance and provide proof that they have attempted to get tax exemption and provide an evidence from their national tax authorities that the VAT exempt cannot be applied to their supply of services to IWRM-K, in which case the IWRM-K shall consider paying the taxes.

During the solicitation process, the bidder shall submit their offer without VAT, and where they consider to be liable for VAT, the value of VAT should be clearly indicated in the offer.

¹ *This is particularly specified as a possibility for companies in contrast to proposals prepared by Joint Ventures or Consortia which are not permitted under this RFP.*

For all other taxes, it remains a responsibility of the bidders to be aware of tax issues and responsibilities including personal income and corporate income taxes and clarify such issues with Kosovo's and their national tax authorities before submission of their bid. IWRM-K shall not be responsible to provide such information to any bidders.

Q4: *Can project references and staff from a sister company to the bidder (both legal entities have an identical ownership) be used in this tender?*

A4: *There's nothing in the tendering documentation that precludes bidders from using the references and staff from sister companies. However, they should submit a proof of connection i.e. that the companies share the same parent company. Also, the bidder shall inform in their bid how the experience and know-how of each of the sister companies is transferred onto the other companies within the same group referring to it in the section on general organizational capability.*

In conclusion, in such specific case, wishing to encourage better competition, Skat Consulting Ltd. will allow for bids which combine the references and staff of legal entities with identical ownership. In other words, in such situations the 'sister' company will neither be considered a Joint Venture member nor a subcontractor of the 'parent' company.