**Request for Proposal “ARRIVA SERBIA FUEL”**

**For the supply of Diesel – 2019/2020**

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11. **Statement of Purpose**

This document refers to a private tender for the supply of Fuel Diesel to Arriva Serbia. Participants and bidders have to comply with the standards, conditions, criteria and deadlines set out and referred to in this Request for Proposal.

Participants and bidders not complying (e.g. giving false and/or incomplete information, incomplete dossiers/offers and offers without the intention to be bound) are to be excluded from the tender and cannot be awarded a contract. This document, including all attachments, contains all necessary information to prepare an offer.

1. **Company Profile**

**Arriva is Europe’s largest private passenger transport company. The company carries 1.5 billion passengers every year.**

With more than 55,000 employees across 15 countries, Arriva operates a wide range of services including local buses, inter-urban coaches, local, regional and national train services, trams and light rail, waterbuses and airport-related transport services. We also operate a number of demand response and non-emergency patient transport contracts for our clients.

**Arriva is part of Deutsche Bahn AG, a leading worldwide provider of transport and logistics services.**

As a division of Deutsche Bahn, Arriva is responsible for the growth and development of all Deutsche Bahn’s regional passenger transport outside of Germany. The Arriva group is a wholly-owned subsidiary of the global Deutsche Bahn, with a total of 298,500 employees and a turnover of 28.6 Billion Euro.

**Arriva Serbia / LITAS**

Arriva has been present in Serbia since the acquisition of Veolia Transport Litas and Veolia transport Luv in May 2013. With the change of ownership, the company’s name changed to ARRIVA LITAS D.O.O. POŽAREVAC on May 21st, 2013. The ownership change didn’t influence the business activities in Serbia, where Arriva continues to develop the strategy, business goals and obligations.

Serbia Arriva operates city bus services in Belgrade, Kragijevac, Niš and regional traffic in the areas of Požarevac, Kostolac, Veliko Gradište, Golubac , Malo Crniće, Žabari, Svilajnac, Petrovac, Kučevo, Žagubica and Donji Milanovac, and international and charter traffic.

1. **Scope of Work**

The negotiation refers to a **2 year agreement for the Supply of Diesel to Arriva Serbia**, with the option to extend the contract for 1 year further (see **4. Term of Contract** below).

This tender will be awarded according to the lowest price criteria, as defined below in point **8. Evaluation and Award Process.** Suppliers shall quote against the following volumes and delivery locations, as specified below.

# Lot Structure

**The tender will be divided in 2 lots, one lot for fuel bulk deliveries and another lot for fuel stations refilling.** Potential Suppliers can bid for 1 or 2 lots independently.

The diesel volumes above can suffer variations of more or 10% of the total volumes and should be seen as indicative rather than binding. Diesel volumes can also vary due to business loss which should NOT impact agreed prices and conditions.

**LOT 1: BULK FUEL DELIVERIES**

**a) Arriva Serbia Fuel Volumes per Depot/ Location**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Depot** | **Address** | **ZIP Code** | **Tank** **Volume (Lt)** | **Est. Annual** **No. Orders** | **Estimated****Annual Volume (Lt)** |
| Požarevac  | Moše Pijade 9 | 12000 | 50.000 | 35/30000lit | 1.050.000 |
| Kragujevac | Dragoslava Srejovića 66  | 34000 | 20.000 | 82/15000lit | 1.230.000 |
| Svilajnac | Kralja Petra I bb | 35210 | 15.000 | 2/10000lit | 20.000 |
| Belgrade | Zrenjaninski put 86m | 11000 | 50.000 | 96/30000lit | 2.880.000 |
| Niš | Ivana Milutinovića 30 | 18000 | 50.000 | 36/30000lit | 1.080.000 |
| **TOTAL** |  |  |  |  | **6.260.000** |

Total Estimated Volume for Bulk Fuel is **6.260.000 liters per annum**.

**LOT 2: FUEL STATIONS REFILLING**

Total Estimated Volume for Fuel Stations is **400.000 liters per annum**.

Suppliers bidding for the Fuel Stations Refilling Lot will need to meet to following requirements in terms of geographical coverage: Beograd, Kragujevac, Požarevac, Kučevo, Svilajnac, Niš, Kostolac, Golubac, Donji Milanovac, Žabari, Žagubica, Petrovac, Kladovo.

# Awarding Prescriptions

The following documents define all terms and conditions related to this tender:

* Request for Proposal – **this document**.
* Appendix 1– “Specification and Pricing Module”
* Appendix 2 – “Arriva Code of Conduct”
* Appendix 3 – “Arriva Responsible Procurement Policy”

Arriva Serbia reserves the right to:

1. not assign any individual contract if conditions are deemed not favorable;
2. assign even in the case of having one single valid offer;
3. issue queries to potential suppliers and to obtain all required explanations regarding the technical and economical nature of the offer, within a 5-days period after the date of the query, via e-mail. In case of no compliance with this procedure, the offer will be evaluated based on the offer but excluding the information to which the original query was related; and
4. engage in negotiations with the suppliers with the best offers as defined in **8. Evaluation and Award Process** below.
5. **Term of Contract**

The negotiation refers to a **2 year agreement for the Supply of Diesel to Arriva Serbia**, with the option to extend the contract for 1 year further. The contract will enter into force once the overall agreement will be signed and further local conditions will be agreed upon as well.

1. **Deliveries, Payments and other Contractual Conditions**

# Deliveries

Below are indicated the Depot locations where the Arriva Serbia Fuel Tanks are located. The time of arrival at the designated facility will be communicated when the order is issued (as defined below), ensuring enough time of the fuel inspection and transfer.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Depot** | **Address** | **ZIP Code** | **Tank** **Volume (Lt)** | **Deliveries Schedule** |
| Požarevac  | Moše Pijade bb | 12000 | 50.000 | **Monday to Friday - 08.00h to 16.00h** |
| Kragujevac | Dragoslava Srejovića 66  | 34000 | 20.000 | **Monday to Friday - 08.00h to 16.00h** |
| Svilajnac | Kralja Petra I bb | 35210 | 25.000 | **Monday to Friday - 08.00h to 13.00h** |
| Belgrade | Zrenjaninskiput 86m | 11000 | 50.000 | **Monday to Friday - 08.00h to 16.00h** |
| Niš | Ivana Milutinovića 30 | 18000 | 50.000 | **Monday to Friday - 08.00h to 16.00h** |

The supplier shall ensure the complete supply, i.e. the delivery of the fuels in the client’s tanks, where the supplier provides for the transport of the goods in its own name and at its own expense. Supplies (“fuel load”) to the client’s tanks are carried out in the presence of a client’s employee. The client’s employee shall record the quantity of the fuel in the tank. The driver shall submit the following documents to the client’s employee:

* bill of laden from the petrol tanker
* quality certificate
* delivery note (from the depot location: distributor’s warehouse, refiner)
* sale receipt.

The employee shall validate the copy of the delivery receipt to the driver.

# Acceptance of Delivery

# Fuel acceptance will take place only after the successful completion of the checks that Arriva is entitled to do for each delivery, as to ensure that the product complies with all the features and requirements referred to in point 6. “Technical Specifications”.

On a random basis, Arriva will take fuel samples from tankers for laboratory testing. These samples will be sealed in special containers signed by both parties. In the event of a dispute concerning the characteristics and requirements of the product, the parties will be obliged to accept the results of a further test to be carried out by a third party laboratory, jointly chosen at the expense of the supplier company. In the event of the fuel supply having different characteristics from those described below in point **6. “Technical Specifications”,** Arriva, in addition to not providing the payment of the relevant invoice, will be entitled to claim an indemnity as defined in **Appendix 3 - “Draft Contract Template” .** Invoices paid will deduct eventual penalties.

# Payment Terms

The minimum standard for payment terms accepted by Arriva Serbia is 45 days from the receipt of the invoice.

Payments will take place through bank transfer. The invoices must be addressed and sent to the company and the recipient must return it with reference to the date, no. of order, date and place of delivery and the price agreed in the contract being awarded.

# Ordering

Arriva Serbia will issue a purchase order in the form of a written [commercial](http://en.wikipedia.org/wiki/Trade) document indicating type of fuel, quantities, and agreed prices for products or services, as well as time of delivery and any specific requirements, if applicable. Acceptance of the purchase order by the supplier is binding.

# Invoicing

The Potential Supplier will be invoicing in standard liters as per the bill of laden issued by the loading terminal and measured at standard temperature of 15 degrees Celsius at one atmosphere Arriva Serbia is committed to reduce as much as possible the number of invoices processed every 15 days basis by its staff with the objective of implementing a lean and efficient administrative function, as well as reducing related transactional costs. The selected supplier will agree to discuss with Arriva Serbia, the most adequate procedure to minimize the number of invoices issued, in compliance with country law and regulations.

# Contractual Penalties

If the Fuel supply does not occur in its entirety within the period prescribed in **5.1 – “Deliveries”**, Arriva Serbia may impose a penalty equal to 5% of the value of the supply. Any damage caused to Arriva Serbia facilities and vehicles by fuel supplies that do not meet the required specifications as per point **6.4 – “Fuel Specifications and Requirements”**, will be charged to the selected Supplier.

If fuel delivery delays disturb the smooth running of the public service, Arriva Serbia will be entitled to acquire the needed fuel from other suppliers. In this case, in addition to the penalties above, any additional costs in which Arriva Serbia incurs will be charged to the supplier.

# Damages Liability

The supplier is responsible for damages caused during the delivery. Arriva Serbia declines any responsibility for damages, of any nature whatsoever, that the selected supplier may have incurred or caused to third parties.

# Subcontract

It is not possible to subcontract another supplier without the specific authorization of Arriva Serbia.

# Compliance with Law and Jurisdiction

The selected Supplier is required to comply with all laws, decrees and regulations in force at the time of delivery, even if issued by the competent Authority after the signing of the present special conditions. For any dispute, the competent court will be the one of the city where the headquarters of the tendering company is located.

# Arriva Code of Conduct

Bidding Suppliers are required to confirm that they have received and agreed to comply with the Arriva Code of Conduct in all business relationships (including existing agreements in relation thereto).

# Arriva Responsible Procurement Policy

Bidding Supplies are required to confirm that they have received and agreed to comply with the Arriva Responsible Procurement Policy in all business relationships (including existing agreements in relation thereto).

# Acceptance of Contractual Conditions

By signing this document, the bidding companies accept unconditionally the tender methodology and conditions of supply identified by Arriva Serbia.

1. **Technical Specification**

Arriva Serbia uses the EN590:2013 as reference Technical Specification as detailed below:

Bidding Suppliers will need to state which Technical Specification they are using as reference for the offer and for future fuel supplies. This statement is made using the **Appendix 1 – “Specification and Pricing Module”**. Bidding suppliers will attach to the offer the Technical Sheet of the Diesel being proposed in their offer.

|  |
| --- |
| Sulphur Free Diesel (<10 ppm) EN590 specification 10 ppm sulphur |
| * 1. Sales Specification
 | **Units** | **Min** | **Max** |
| Cetane Number | - | 51.0 | - |
| Cetane Index | - | 46.0 | - |
| Density at 15oC | kg/m3 | 820 | 845 |
| Polycyclic Aromatic Hydrocarbons (Note 1) | %(m/m) | - | 11 |
| Sulphur Content | mg/kg | - | 10 |
| Flash Point (PMCC) | oC | 55 | - |
| Carbon Residue (on 10% distillation residue) | %(m/m) | - | 0.30 |
| Ash Content | %(m/m) | - | 0.01 |
| Water Content | mg/kg | - | 200 |
| Total Contamination | mg/kg | - | 24 |
| Copper Corrosion (3h at 50oC) | rating | - | Class 1 |
| Oxidation Stability | g/m3 | - | 25 |
| Lubricity, corrected wear scar diameter (wsd 1,4) at 60oC | micron | - | 460 |
| Viscosity at 40oC | mm2/s | 2.00 | 4.50 |
| Strong Acid | mgKOH/g | - | Nil |
| **Cloud** Summer (16 March – 15 October) Winter (16 October – 15 March) | oCoC | -- | 3- 5 |
| **Distillation Characteristics** Recovered at 250oC Recovered at 350 oC 95% point | %(v/v)%(v/v)oC | -85- | 65-360 |
| * 1. Cold Filter Plugging Point

 Summer (16 March – 15 October) Winter (16 October – 15 March) | oCoC | -- | - 5-15 |
| * 1. Additional Information
1. Polycyclic aromatic hydrocarbons are defined as the total aromatic hydrocarbon content less the mon-aromatic hydrocarbon content.
2. FAME – Fatty Acid methyl Ester (FAME) meeting EN14214 maximum content 7%.
3. The Summer and Winter dates specified above apply to diesel being delivered from our import depots.
4. Performance additives (detergent, anti-foam etc.) added as necessary at depots.
 |

1. **Proposal Preparation**

Potential Suppliers, in order submit valid offers, must satisfy the following conditions and send the following documentation:

**Mandatory Documentation**

* Signed RfP (this present document) by the supplier legal representative as to attest that the bidding supplier agrees with the Tender methodology and complies with the requirements set out in the tender documentation, namely:
* Price quotations and other criteria inserted for the relevant countries inserted in Appendix 1 – “Specification, Requirements and Pricing Module” – signed;
* Appendix 2 – “Arriva Code of Conduct”- signed;
* Appendix 3 – “Arriva Responsible Procurement Policy” – signed;
* Copy of the powers of attorney of the legal representative of the bidding supplier submitting the offer;
* Copy of Safety Datasheets; and
* Copy of Technical Datasheets.

**Support Documentation**

* Copy of Specifications Approvals and Homologation
* Copy of ISO 9001 Certification.
* Copy of ISO 14001 Certification

The documentation listed above must be submitted by the 20.03.2019 both via post or personally (paper documentation) and via e-mail, in pdf and excel files, as defined. These files hall be sent to the Arriva Points of Contact as detailed in **10. Future Correspondence / Points of Contact, in English or Serbian language.**

1. **Evaluation and Award Process**

The tender will be awarded to the lowest price. Arriva Serbia, reserves the right to proceed to an additional negotiation with a shortlist of the suppliers that issue the best offer. The awarding or the exclusion of the offers will be communicated via fax or e-mail.

Suppliers are **requested to supply 2 quotations for Lot 1 as per the price formulas in Point 8.1 defined below. For Lot 2, suppliers are required to provide only the Wholesale Price Formula as per Point 8.2**. The agreed price formulae shall be presented clearly in the contract.

# Pricing Formula – Platts Index Price

When working the total price without VAT, the Platts Pricing Formula should be as such:

**(Platt's Quotation x $ / RSD x Density) +**

**Excise Duty/Taxes/Contributions + Spread**

Where:

**Platts Quotation**: is a fixed value for the daily quotation of fuel in $ (dollars) per ton. For contract pricing formula purposes, it can be used the average Platts quotation from the week prior to the delivery.

The following Platts indexes can be used:

* **AAWYY00-H - ULSD 10 ppm FOB Med Genova/Lavera High (US $/t);** or
* **AAJUS00-H - Diesel 10 ppm Barges Fob Rotterdam High (US $/t)**

**Exchange Rates $/RSD** - the value of the average daily exchange rate between Dollars ($) and Serbian Dinars (RSD) set by the Serbian Central Bank on a daily basis.

**Density:** results from the conversion of tons to liters and is fixed at 0.845

**Spread:** includes all the remaining pricing components (handling fee, distribution and transport fees, etc) plus the margin from the supplier.

# Pricing Formula – Wholesale Price

When working the total price without VAT, the Wholesale Pricing Formula should be as such:

**Supplier Wholesale Price List – (minus) Discount**

Where:

**Supplier Wholesale Price List**: is a public pricing list used as reference by the bidding supplier and easily accessible. Prices are quotes in RSD.

**Discount**: is the amount of RSD per liter to subtract to the Supplier Wholesale Price List.

Potential suppliers are required to prepare their offer as defined in **Appendix 1 – “Specification and Pricing Module”**. In this module, potential suppliers will identify the Platts index used and they shall make their proposal for the **Spread** price component in RSD per liter.

1. **Tender Process Schedule**

The tender process schedule is planned as follows:

|  |  |
| --- | --- |
| **Key Milestones** | **Dates** |
| Tender publication  | 12.03.2019 |
| **Tender Submission Deadline** | **01.04.2019** |
| Evaluation and Tender Short List  | 05.04.2019 |
| **Final Round of Negotiations** | **10.04.2019** |
| Contract Award | 13.04.2019 |
| **Contract Start** | **01.05.2019** |

1. **Future Correspondence/ Point of Contact**

The Arriva Serbia Point of Contact is the authorized person to communicate with tenderers. Any communication with the Contact Person should be in writing (preferably via e-mail) and addressed to the Arriva Serbia Contact Person with the Principle Category Manager Fuel and Utilities in cc.

**Arriva Serbia Point of Contact**

**Vladimir Šarac**

Direktor za nabavke / Procurement manager

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**Principle Category Manager Fuel and Utilities**

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