



Comhshaol, Pobal agus Rialtas Áitiúil
Environment, Community and Local Government

Explanatory Memorandum

Grants towards the Capital Replacement Costs of Design/Build/Operate (DBO) Group Water Schemes

**Department of the Environment,
Community and Local Government**

March 2013

PARAGRAPH 1. GENERAL

This Memorandum sets out the terms and conditions applying to the grants which may be paid by local authorities towards the Capital Replacement Costs of Design/Build/Operate (DBO) Group Water Schemes supplying water for domestic use.

An essential element of the (DBO) contract mechanism is the Asset Management Plan / Replacement Schedule provision which sets out, at tender stage, the items of plant which are likely to require replacement during the 20 year period of the Operation and Maintenance (O&M) phase of the contract so as to ensure that the plant remains fit for purpose at the end of the 20 year (O&M) period. It does not include routine replacement items or items which have a life expectancy of less than five years or such other term as may be specified in the conditions of contract.

In all “bona fide” DBO contracts the Asset Management Plan sets out the schedule of expected major plant replacements and provides the following detailed information;

- Item of plant involved
- Price at tender/contract stage
- Expected year(s) of replacement.

A “bona fide” (O&M) contract is one where the group water scheme is contractually bound to an Operational & Maintenance contract that has been procured in strict accordance with the Guidance Document for the Procurement of Small Water Services Schemes, Part A – Rural Water Module (Design, Build Operate Contracts) and the scheme is constituted as a Co-Operative or Limited Company.

Payments to the contractor in respect of the items replaced under the contract schedule are only due on the basis of certified costs incurred (with price adjustment allowed in accordance with the price adjustment clause specified in the contract) in accordance with the Contract Schedule.

PARAGRAPH 2. ADMINISTRATION OF GRANT SCHEME

The grant scheme is administered by county councils (referred to in this memorandum as the “local authority”). All issues relating to the day to day operation of the grant scheme, including applications and payments, are matters for the relevant local authority.

Any enquiries about the grant should be addressed to the relevant local authority’s Rural Water Programme Liaison Officer.

PARAGRAPH 3. EMPLOYER’S REPRESENTATIVE - APPOINTMENT & ROLE

Another essential element of the DBO contract is the appointment of an Employer’s Representative by each individual Group Water Scheme participating in an Operational and Maintenance Contract.

One of the functions of the Employer’s Representative is to approve and certify payments in respect of major plant replacements in accordance with the schedules and timescales for replacement, as set out in the Asset Management Plan included in the Contract.

Grants are only to be paid by local authorities towards capital replacement costs where the Employer’s Representative has been appointed by the group water scheme

1. in compliance with public procurement requirements and in accordance with the “Procedure for Appointment of an Employer’s Representative In respect of the Capital Replacement Fund associated with Group Water

Supply Scheme DBO Projects only including a Model Brief for Appointment of an Employer's Representative" in Appendix 2 of this Memorandum and

2. where the local authority has been furnished with evidence that the proposed Employer's Representative meets the three minimum requirements outlined in "Procedure for Appointment of an Employer's Representative In respect of the Capital Replacement Fund associated with Group Water Supply Scheme DBO Projects only including a Model Brief for Appointment of an Employer's Representative in Appendix 2 of this Memorandum to the satisfaction of the local authority.

For the purposes of this grant, the appointed Employer's Representative shall:

- (a) Review the original DBO contract and any Department of Environment, Community and Local Government approved variations as regards the capital replacement fund (CRF)
- (b) Confirm that there is written agreement between the parties to the contract to the revised funding procedures set out in this Explanatory Memorandum.
- (c) Identify the relevant item(s) of plant as specified in the contract.
- (d) Confirm the necessity for plant replacement
- (e) Apply the appropriate price variation index in accordance with the contract
- (f) Prepare a report on items (a) to (e) immediately above for submission by the Group Water Scheme (employer) to the local authority.
- (g) Complete Part II of Form RW CRC/1 (Certification by Employer's Representative in respect of an Application by a Group Water Scheme for Approval of a Grant towards the Capital Replacement Cost of Design/Build/Operate (DBO) Group Water Schemes) – see Appendix 1 - for submission by the Group Water Scheme to the local authority.
- (h) When funding is approved, by the local authority and the employer, issue instructions on behalf of the Group Water Scheme to the DBO Contractor to proceed with the work.

- (i) Confirm satisfactory installation of the item(s) of plant and certify appropriate amount due.
- (j) Certify that all payments made by the group water scheme in respect of capital replacements are in accordance with the contract.

PARAGRAPH 4. QUALIFYING CONDITIONS FOR GRANT ASSISTANCE AND APPLICATION PROCEDURES

Group Water Schemes participating in DBO contracts and their Employer's Representatives are advised, in addition to becoming fully familiar with the grant conditions outlined in this Memorandum, to contact their local authority well in advance of replacement of items becoming due in order to allow sufficient time to meet grant conditions. To help in forward planning, schemes should also notify their local authorities before the end of October each year of any capital replacement costs due to arise in the following year.

Grant Approvals

The following conditions must be met before a local authority approves or pays a grant towards capital replacement costs to a group water scheme;

- (1) The **Group Water Scheme** must:
 - a. be contractually bound to an Operational & Maintenance contract that has been procured in strict accordance with the Guidance Document for the Procurement of Small Water Services Schemes, Part A – Rural Water Module (Design, Build Operate Contracts)
 - b. be constituted as a Co-Operative or Limited Company
 - c. maintain a separate dedicated bank account to which all payments under this grant and under Subsidy B of the subsidy scheme available towards the Operational Costs of Group Water Schemes will be lodged and from which payments related to Capital Replacement Costs will be made to the contractor
 - d. Have a Current tax clearance certificate.

- e. Have appointed an Employer's Representative in compliance with public procurement requirements and in accordance with the "Procedure for Appointment of an Employer's Representative In respect of the Capital Replacement Fund associated with Group Water Supply Scheme DBO Projects only including a Model Brief for Appointment of an Employer's Representative" contained in Appendix 2 of this Memorandum
 - f. Apply to the relevant local authority for grant approval on the Form RW CRC/1 in Appendix 1 of this Memorandum.
 - g. Obtain approval from the local authority for the grant assistance in advance of replacement of the items identified by the Employer's Representative in line with Paragraph 3 above.
 - h. Apply, on completion of the replacement of the items, to the relevant local authority for grant payment on the Form RW CRC/2 in Appendix 1 of this Memorandum.
- (2) Each application by the group water scheme to the local authority for grant approval must include certification from the **Employers Representative** on Part II of Form RW CRC/1 in Appendix 1 of this Memorandum. The certification must include the following;
- a. Confirmation that he/she has been appointed as **Employer's Representative**, in accordance with this Memorandum.
 - b. Confirmation that the application for the grant approval is only in respect of items of plant that have been specified in the Asset Management Plan / Schedule of Replacement in the DBO contract and of when the item(s) are due for replacement.
- (3) The **local authority** should, before issuing written approval of a grant to the group water scheme, satisfy itself that
- The Group Water Scheme meets all the requirements outlined in Paragraphs 3 and 4 of this memorandum

- The plant item(s) that are the subject of the grant application are due for replacement in line with the Asset Management Plan / Schedule of Replacement in the DBO contract and
- The certification (in Form RW CRC/1) required from the Employer's Representative, as outlined at Paragraph 4 (2) above has been satisfactorily provided.

The eligibility of applications for grant approval will be determined by the local authority in accordance with the terms and conditions set out in this Memorandum. However, a local authority may seek any further information, documentation or other evidence it may require to enable it to make a decision on an application.

Grant Payments

Following receipt, in writing, of the local authority's grant approval, and on completion of the approved works, the group water scheme may apply on Form RW CRC/2 to the local authority for **payment** of the approved grant.

Each application by the group water scheme to the local authority for payment of the approved grant must include certification from the Employers Representative on Part II of Form CRC/2. This certification must include the following details in respect of each item for which recoupment of costs is being sought;

- Year replacement due as identified in the contract schedules (NOTE: payment should not be made to the contractor nor should grant assistance be applied for until after the expected date of replacement as identified in the contract schedules)
- Confirmation that the item(s) was/were satisfactorily replaced
- Actual date of replacement
- The replacement cost as identified in the contract schedules

- The replacement cost adjusted in accordance with the price adjustment clause specified in the contract and showing the detailed calculations used.

The local authority should, before paying an approved grant to the group water scheme, satisfy itself

- that the certification by the Employer's Representative (in Form RW CRC/2) has been satisfactorily provided,
- that the plant items that were the subject of the grant approval have been satisfactorily replaced and
- that the conditions set out in this Memorandum have been met.

PARAGRAPH 5. GRANT AMOUNT PAYABLE

The Local Authority, when satisfied that all the grant conditions set out in this memorandum have been met, may pay the group water scheme 85% of the capital replacement cost as adjusted in accordance with the price adjustment clause specified in the contract.

The fees due to the Employer's Representative for his/her work relating to the certification of the works and costs may be included with the capital replacement costs when calculating the 85% grant due for the works and the fees combined – payment should not exceed 85% of the two combined amounts. Note; these fees should **not** be included in the group scheme's applications for subsidy towards its annual Operational Costs.

PARAGRAPH 6. RECOUPMENT OF GRANT ASSISTANCE BY LOCAL AUTHORITIES

Local Authorities may apply to the Department of Environment, Community and Local Government for recoupment of the grant assistance they have paid to the group water schemes by completing and submitting Form RW CRC/3

and Form RW CRC/3 Schedule as included in Appendix 1 of this Memorandum.

APPENDIX 1

FORM RW CRC/1

Grants towards the Capital Replacement Costs of Design/Build/Operate (DBO) Group Water Schemes

APPLICATION BY _____
(NAME OF GROUP WATER SCHEME)

TO _____ COUNTY COUNCIL

FOR APPROVAL OF GRANT

EXPLANATORY NOTES:

- Part I of this form should be completed by the Group Water Scheme (GWS).
- Part II of this form should be completed by the Group Water Scheme's Employer's Representative.
- The Explanatory Memorandum for the grant scheme should be read before completion.

PART I OF FORM RW CRC/1– TO BE COMPLETED BY GWS

GROUP SCHEME DETAILS (To be completed in All Cases)

Official Name of Group Water Scheme (GWS):

(i.e. name registered in Registry of Friendly Societies or Companies' Office)

Corporate Status of GWS (Please tick relevant box below):

Registered Co-op Limited Company

Co-op or Company Registered Number: _____

Co-op or Company Registered Office: _____

Group Water Scheme Secretary or Manager:

Name: _____

Position: _____

Address: _____

Phone: _____

Mobile: _____

E-Mail: _____

Is the GWS part of a “Bona Fide” O&M contract (see Explanatory Memorandum)? Yes No

Name of DBO Bundle: _____

Name of DBO Contractor: _____

BANK ACCOUNT DETAILS – for payment of grant if approved

Name of Bank: _____

Branch Address: _____

Bank Sort Code: _____

Account No.: _____

Name on Account: _____

DECLARATION OF OFFICERS

We, the Officers of _____ Group Water Scheme, hereby apply to _____ (name of local authority) for approval of Grant Assistance of € _____ (i.e. 85% of replacement cost of item(s) as adjusted in accordance with the price adjustment clause specified in the contract plus 85% of Employer’s Representative fees applicable towards these replacement works) towards Capital Replacement Costs arising in the _____ DBO Bundle Contract to which this Group Water Scheme is a signatory.

We declare that this Group Water Scheme

- is compliant with the terms and conditions for payment of this grant as set out in the Explanatory Memorandum for Grants towards the Capital Replacement Costs of Design/Build/Operate (DBO) Group Water Schemes of March 2013

- is contractually bound to an Operational & Maintenance contract that has been procured in strict accordance with the Guidance Document for the Procurement of Small Water Services Schemes, Part A – Rural Water Module (Design, Build Operate Contracts).
- is constituted as a Co-Operative or Limited Company
- maintains a separate dedicated bank account to which all grant receipts related to the Capital Replacement Costs and subsidy receipts under Subsidy B of the subsidy scheme available towards the Operational Costs of Group Water Schemes will be lodged and from which payments related to Capital Replacement Costs and Subsidy B will be made to the contractor
- has a Current tax clearance certificate
- has appointed, with the approval of the local authority, an Employer's Representative in accordance with the terms of the Explanatory Memorandum referred to above.

We further declare that

- the Information provided in this application is correct to the best of our knowledge and belief

AND

- we hereby undertake responsibility for accepting the grant on behalf of group scheme members for the sole purpose of defraying the capital replacement costs and confirm that the grant will be used for no other purpose.

PART II OF FORM RW CRC/1– CERTIFICATION OF EMPLOYER’S REPRESENTATIVE

Certification by Employer’s Representative in respect of an Application by a Group Water Scheme for Approval of a Grant towards the Capital Replacement Costs of Design/Build/Operate (DBO) Group Water Schemes.

Name of Employer’s Representative:

Name of Group Water Scheme:

I hereby confirm that; -

1. I have been appointed, with the approval of _____ County Council, as Employer’s Representative by _____ Group Water Scheme in accordance with the terms of the “Explanatory Memorandum for Grants towards the Capital Replacement Costs of Design/Build/Operate (DBO) Group Water Schemes” dated March 2013
2. The application for grant approval now being applied for by the Group Water Scheme relates only to;
 - a. items of plant that have been specified in the Asset Management Plan / Schedule of Replacement in the _____ (name DBO contract) which item(s) are specified in the Contract as due for replacement in Year _____ (specify year/s) of the Contract and
 - b. fees due to us in respect of our work for the scheme on Capital Replacement.

- c. The grant approval being applied for is €_____, which is 85% of the replacement cost shown at 5 below plus 85% of my own fees applying towards these replacement works
3. The Contract is now in its _____ year.
4. The replacement cost of the item(s) as specified in the Contract Schedules is/are € _____ *
5. The replacement cost of the item(s), adjusted in accordance with the price adjustment clause specified in the contract, as of this date, are estimated as €_____ (give costs for each item to be replaced)*.
6. A detailed breakdown of the calculations used, together with the relevant indices and our fees, is attached.
7. I have fully carried out all my duties in respect of the application for this grant approval in accordance with the Explanatory Memorandum on this grant scheme and confirm that there is written agreement between the parties to the contract to the revised funding procedures set out in the Explanatory Memorandum
8. A copy of the report I prepared in line with Paragraph 3 (f) of the Explanatory Memorandum on this grant scheme is attached.

I certify the above information to be correct.

Signed: _____
Employer's Representative) (Block Capitals)

Date: _____

* The items to be replaced and the associated costs should be set out in a separate schedule.

**Grants towards the Capital Replacement Costs of
Design/Build/Operate (DBO) Group Water Schemes**

APPLICATION BY _____
(NAME OF GROUP WATER SCHEME)

TO _____ COUNTY COUNCIL

FOR PAYMENT OF APPROVED GRANT

EXPLANATORY NOTES:

- Part I of this form should be completed by the Group Water Scheme.
- Part II of this form should be completed by the Employer's Representative.
- The Explanatory Memorandum for the grant scheme should be read before completion.

PART I OF FORM RW CRC/2 – TO BE COMPLETED BY GROUP WATER SCHEME

1. DECLARATION OF OFFICERS

We the Officers of _____ Group Water Scheme hereby apply to _____ (name of local authority) for payment of the Grant Assistance of €_____ approved by the authority on _____ (date) towards the Capital Replacement Costs of _____ Group Water Scheme in respect of the DBO Contract with _____ (name of DBO contractor).

We direct that payment be made to the group's bank account as detailed in this scheme's application for grant approval of _____ (date).

We declare

- that this Group Scheme is compliant with the terms and conditions for payment of this grant as set out in the Explanatory Memorandum for Grants towards the Capital Replacement Costs of Design/Build/Operate (DBO) Group Water Schemes of March 2013 and that the work done is fully compliant with the authority's grant approval and

We include (on Part II of this form) the certification of the scheme's Employer's Representative in support of our application for payment of the approved grant.

- We further declare that the Information provided herein is correct to the best of our knowledge and belief and we undertake responsibility for accepting the grant on behalf of group members for the purpose of defraying the capital replacement costs.

Signed: _____
 Position: Chairperson Name in Block Capitals

Date: _____

Signed: _____
 Position: Secretary / Manager Name in Block Capitals

Date: _____

Signed: _____
 Position: Treasurer Name in Block Capitals

Date: _____

2. Checklist of items that must accompany this claim

Copy of Local Authority Written Approval of Grant towards these works	
Copy of Current tax clearance certificate	
Certificate from Employer’s Representative – Part II of this form:	

PART II OF FORM RW CRC/2 – CERTIFICATION OF EMPLOYER’S REPRESENTATIVE

Certification by Employer’s Representative in respect of an Application by a Group Water Scheme for Payment of a Grant approved towards the Capital Replacement Cost of Design/Build/Operate (DBO) Group Water Schemes.

Name of Employer’s Representative: _____

Name of Group Water Scheme: _____

I hereby confirm that; -

- I have been appointed, with the approval of _____ County Council, as Employer’s Representative by _____ Group Water Scheme in accordance with the terms of the “Explanatory Memorandum for Grants towards the Capital Replacement Costs of Design/Build/Operate (DBO) Group Water Schemes” dated March 2013
- I have fully carried out all my duties in accordance with the Explanatory Memorandum on this grant scheme.
- This certification only relates to items of plant that have been specified in the Asset Management Plan/Schedule of Replacement in the _____ (name DBO contract) and the item(s) replaced was/were specified in the Contract as due for replacement in Year _____ (specify year(s)) of the Contract.

I hereby certify that; -

1. The following item(s) _____ (name item(s)) was/were satisfactorily replaced on _____ (give date(s) of actual replacement) in line with the Contract and with the grant approval issued by _____ (name of local authority) on _____ (date).*
2. The replacement cost of the item(s) as specified in the Contract Schedules was/were € _____ *
3. The replacement cost of the item(s) as adjusted in accordance with the price adjustment clause specified in the contract was/were € _____ (give costs for each item replaced) *
4. A detailed breakdown of the calculations used, together with the relevant indices, is attached
5. The amount of my own fees applicable to these replacement works is € _____, of which the 85% which may be considered for payment by the local authority is _____.

I certify the above information to be correct.

Signed: _____
(Employer's Representative) (Block Capitals)

Date: _____

* The items replaced and the associated costs should be set out in a separate schedule.

FORM RW CRC/3

Grants towards the Capital Replacement Costs of Design/Build/Operate (DBO) Group Water Schemes

Application by _____ (Name of Local Authority) to the Department of Environment, Community and Local Government for Recoupment of Grant Payments by the Local Authority to Group Water Schemes in accordance with the Explanatory Memorandum for Grants towards the Capital Replacement Costs of Design/Build/Operate (DBO) Group Water Schemes, Dated March 2013

Local Authority:

I hereby: -

1. Certify that the payments set out in the attached schedule have been made by the Council in accordance with Circular L3/13 of 11 March 2013 and in accordance with the Explanatory Memorandum for Grants towards the Capital Replacement Costs of Design/Build/Operate (DBO) Group Water Schemes dated March 2013,
2. Certify that
 - a. The Group Water Scheme(s) named in the attached Form RW CRC/3 Schedule have met all the requirements outlined in the Explanatory Memorandum on the scheme and, in particular, the conditions in Paragraph 4 of that Memorandum.
 - b. The Employers Representative for each scheme has been appointed, with the approval of this authority, in accordance with public procurement requirements and in accordance with the terms of the Explanatory Memorandum referred to above and has carried out his/her duties in relation to this grant application in accordance with the memorandum.
 - c. This Council is satisfied that the plant item(s) the subject of this grant payment application has/have been satisfactorily replaced and that such replacement is in line with the Asset Management Plan / Schedule of Replacement in the DBO contract(s) and with this Council's grant approval(s) of _____ (give dates).
 - d. The certifications required from the Employer's Representative, as outlined in the Memorandum on the scheme, have been satisfactorily provided for each scheme along with a detailed breakdown of the calculations used and the relevant indices.

3. Claim recoupment of € _____, being the total of the payments made by the Council to the Group Water Scheme(s) named in the attached schedule.

4. Certify that the amount now being recouped does not exceed 85% of the capital replacement cost, as adjusted in accordance with the price adjustment clause specified in the contract(s), and 85% of the fee due to each scheme's Employer's Representative for his/her work relating to these replacements.

Prepared by _____ (Signature) Date _____

Certified by _____ (Signature) Date _____
(Director of Services)

Note: This form, which must be accompanied by the Form RW CRC/3 Schedule, should be submitted to the Department of Environment, Community and Local Government.

(Please complete a separate form for each group water scheme)

Name and address of Group Water Scheme (GWS) _____

Name of Contractor & Name of DBO Contract _____

A	B	C	D	E	F	G	H
Plant Item(s) Replaced	Date of Replacement	Cost of Plant Item(s) replaced as adjusted in accordance with the price adjustment clause specified in the contract €	Employer's Representative's Fee applicable to the replacement works €	85% of Columns C & D (i.e. grant due) €	Grant amount paid by Local Authority to GWS €	Date grant paid to GWS	Payment Transaction Number.

This Schedule should be completed by the Local Authority and submitted to the Department of Environment, Community and Local Government along with Form RW CRC/3.

Prepared by _____ (Signature) Date; _____

I certify that the details provided above are correct _____ (Signature) Date; _____
(Director of Services)

APPENDIX 2

Procedure for Appointment of an Employer's Representative In respect of the Capital Replacement Fund associated with Group Water Supply Scheme DBO Projects only including a Model Brief for Appointment of an Employer's Representative.

Procedure for Appointment of Employer's Representative

The Employer's Representative (ER) is employed by individual Group Water Supply Schemes to process Capital Replacement Fund (CRF) payments on a scheme specific basis.

Public Procurement procedures apply to the appointment of the Employer's Representative and this requirement should be verified by the Local Authority.

Diagram 1 sets out the various options, based on estimated fee value (net of VAT), for conducting a competitive process to appoint the ER.

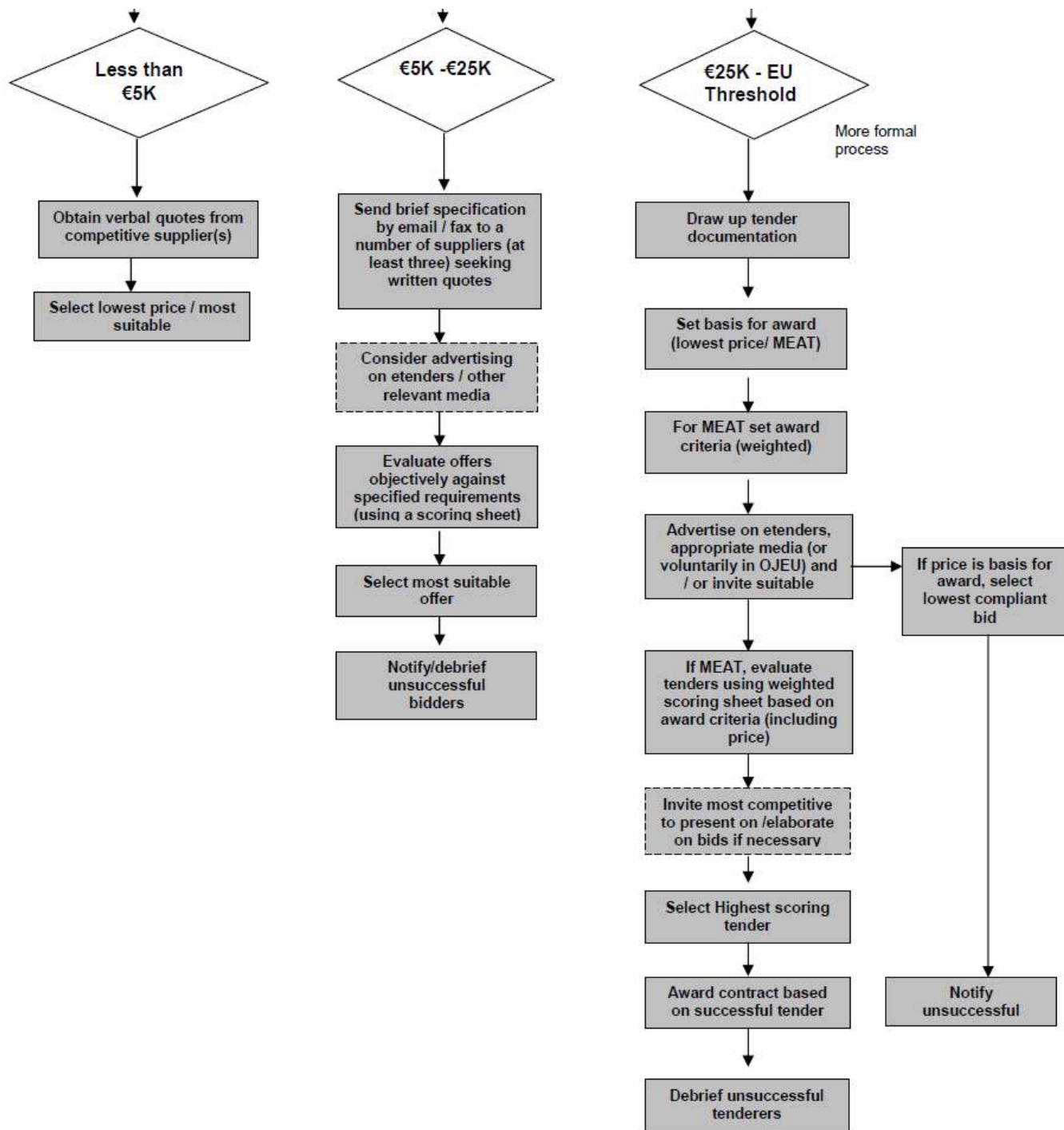


Diagram 1

It is envisaged that in all cases either stream 1 (Less than €5k) or stream 2 (€5k - €25k) will apply.

The following guidance (from *Public Procurement Guidelines – Competitive Process - 2010*) should be observed;

- *supplies or services less than €5,000 in value might be purchased on the basis of verbal quotes from one or more competitive suppliers;*
- *supplies or services contracts between €5,000 and €25,000 in value might be awarded on the basis of responses to specifications sent by fax or email to at least three suppliers or service providers.*

Minimum Requirements

The minimum requirements that should apply to prospective candidates in all cases are:

1. Be in possession of Professional Indemnity Insurance with a minimum value of €2,000,000
2. Be able to demonstrate knowledge of and experience in the use of the FIDIC Conditions of Contract (Orange Book) in the past seven years
3. Be a Chartered Engineer

Brief

A Draft Model Brief for the appointment of the Employer's Representative is attached herewith and is suitable for use in both cases (stream 1 and stream 2)

Model Brief for Employer's Representative for DBO Project

(In Respect of Capital Replacement Fund associated with Group Water Supply Schemes DBO Projects Only)

Project Description and Objectives

(Include a short outline of the project history, set out the scope and objectives of the project)

Duties of the Employer's Representative

The Employer's Representative shall:

- (a) Review the original DBO contract and any Department of Environment, Community and Local Government (DECLG) approved variations as regards the capital replacement fund (CRF)
- (b) Confirm that there is written agreement between the parties to the contract to the revised funding procedures set out in the Explanatory Memorandum on Grants towards the Capital Replacement Costs of Design/Build/Operate (DBO) Group Water Schemes dated March 2013.
- (c) Identify the relevant item(s) of plant as specified in the contract.
- (d) Confirm the necessity for plant replacement
- (e) Apply the appropriate price variation index in accordance with the contract
- (f) Prepare a report on items (a) to (e) immediately above for submission by the Group Water Scheme (employer) to the local authority.
- (g) Complete Part II of Form RW CRC/1 (Certification by Employer's Representative in respect of an Application by a Group Water Scheme for Approval of a Grant towards the Capital Replacement Cost of Design/Build/Operate (DBO) Group Water Schemes) - for submission by the Group Water Scheme to the local authority.
- (h) When funding is approved, by the local authority and the employer, issue instructions on behalf of the Group Water Scheme to the DBO Contractor to proceed with the work.

- (i) Confirm satisfactory installation of the item(s) of plant and certify appropriate amount due.
- (j) Certify that all payments made by the group water scheme in respect of capital replacements are in accordance with the contract.

Reference Material

The Client's Representative shall take account of the following reference material:

- DBO Contract Documents relevant to the Water Treatment Plant
- Officially approved variations to the WTP that impact on the CRF
- CSO indices applicable to the application as per the contract or as per any subsequent DECLG approved index.

Minimum Requirements

The minimum requirements that should apply to prospective candidates in all cases is:

1. Be in possession of Professional Indemnity Insurance with a minimum value of €2,000,000
2. Be able to demonstrate knowledge of and experience in the use of the FIDIC Conditions of Contract (Orange Book) in the past seven years on DBO contracts
3. Be a Chartered Engineer

Award Criteria

The award criteria, in decreasing order of importance, which will be used to select the most economically advantageous proposal from the short listed candidates, are:

1. Proposed cost of providing service
2. Expertise and skills of personnel assigned to project
3. Management and service structure proposed

A standard assessment sheet is attached herewith – Ref Appendix B

Information to be Submitted

The candidate's detailed proposal should include the following:

1. Standard Cover Sheet – Ref Appendix A
2. Evidence of Professional Indemnity Insurance
3. Evidence of Chartered Engineer status
4. Evidence to demonstrate knowledge of and experience in the use of the FIDIC Conditions of Contract (Orange Book) including reference sites in the past seven years on DBO contracts
5. Management summary (not exceeding 2 pages).
6. Outline methodology.
7. Details of proposed Project Team including CVs.
8. Details and experience of any sub-consultants the candidate proposes to employ on the project.
9. Outline programme for delivery of services.
10. Fee proposal including all fees, expense and VAT

Fee Proposal

The fee proposal submitted shall, in so far as possible having regard to the nature of the services to be provided, be in the form of a lump sum inclusive of VAT together with all expenses to be incurred. A breakdown showing how the lump sum was arrived at should be included together with the basis for charging for services not covered by the lump sum. The fee proposal should also give a breakdown of the project team's input in person hours for the services required and related to specific outputs. Only expenses that are necessarily incurred and fully justified will be recouped.

Terms of Appointment

Where a group or consortium submits a proposal a lead consultant must be nominated who shall be fully responsible for providing the services required by this brief.

This brief together with the letter of appointment and Employer/Official approval shall constitute a binding contract between the Employer and the consultant who is appointed.

The appointment shall be for the services described in this brief only and the Employer reserves the right to engage other consultants for additional services in connection with the Project if they so wish.

All sums due to the Client's Representative on foot of this appointment shall be paid within forty days of the submission of an invoice.

Ownership of Documents and Copyright

All documents prepared by the Employer's Representative on foot of this appointment and submitted to the Employer will be considered the property of the Employer and may be used by the Employer at any time, including for other projects, without the prior approval of the Employer's Representative.

Termination of Appointment

The Employer shall be entitled to terminate the appointment at any time without notice subject only to full payment being made for services performed up to the date of termination.

Dispute Resolution

In the event of any dispute arising with regard to this services contract which the parties fail to settle, the dispute shall firstly be referred to Conciliation for resolution. Should a settlement not be reached at Conciliation, the dispute shall be referred to Arbitration. Arbitration shall in this instance mean the Arbitration Procedure, 1987, as published by the Institution of Engineers of Ireland or any amendment or modification thereof being in force at the time of the appointment of the Arbitrator. Should the parties fail to agree on an Arbitrator, the President for the time being of the Institute of Arbitrators shall be requested to nominate an Arbitrator.

Tax Clearance Certificate

It is a condition for the award of this contract that the firm selected and all proposed sub-consultants must be able to produce a valid Tax Clearance Certificate or C2 certificate. The firm to whom the contract is awarded and all sub-consultants shall continue to hold valid certificates for the duration of the contract.

Withholding Tax

Under the Finance Act, 1987 withholding tax must be deducted from payments for professional services. This tax will be deducted from payments made to the firm awarded the contract and will be remitted to the Revenue Commissioners.

Submission of Proposals

Three copies of the candidate's proposal and supporting documentation in a sealed envelope marked:

“Proposal for Client’s Representative for Project”

should be submitted under the attached Cover Sheet to

insert Employer’s name and address _____

before mid-day on: insert date _____

Proposals which are received after this time will not be considered and will be returned.

APPENDIX A

Cover Sheet (To be sent to each of the candidates)

1. To be completed by the Group Water Scheme

Project Title: _____

Group Water Scheme _____

Address _____

Group Water Scheme's Project Manager _____

Telephone _____ Fax _____ E-mail _____

2. To be completed by the Candidate

Candidate's Name _____

In the case of a grouping or consortium, give names of member firms

Address for Correspondence _____

Candidate's Contact Person _____

Telephone _____ Fax _____ E-mail _____

APPENDIX B

Standard Assessment sheet for Employer's Representative for DBO Project
(In Respect of CRF for Group Water Supply Schemes DBO Projects Only)

Standard Assessment Sheet

Criteria & Available marks	Insurance Yes / No	Knowledge of FIDIC Yes / No	Chartered Engineer Yes / No	Proposed cost of providing service 50	Expertise and skills of personnel assigned to project 30	Management and service structure proposed 20	Total Marks 100	Rank
Candidate A								
Candidate B								
Candidate C								

Candidate X, having met the minimum requirements, and being the most economically advantageous tender is recommended for appointment.

Signed: _____ Date: _____