GOVERNMENT OF THE KINGDOM OF BAHRAIN

DEVELOPMENT OF SEWAGE TREATMENT PLANT AT MUHARRAQ

REQUEST FOR QUALIFICATION (RFQ)

Extension of Closing Date for Submission of SOQ

Kindly note that the last date for submission of SOQ has been extended from 28th August 2008 to Thursday, 4 September 2008 (13:30 hours, Bahrain time).

Accordingly, all references to 28th August 2008 in the RFQ shall be deemed to read as 4th September 2008.

Subject to previous clarifications, all other terms and conditions of the RFQ (including, without limitation, the other milestone dates for the tender process) remain the same.
With reference to Clause 3.1 of the RFQ in relation to the development of Sewage Treatment Plant ("STP") at Muharraq, dated 28 July 2008, the Authority confirms that the "Lead Developer" is required to maintain a shareholding in the capital of the Project Company of at-least thirty five percent (35%) (which must be the largest shareholding amongst all the shareholders in the Project Company) and manage the Project Company, in both cases, for a period of at least 7 (seven) years from the Commercial Operation Date of the Muharraq STP.

Without prejudice to the above, the Authority may in its sole discretion (and without any obligation on its part to do so), consider other arrangements which have been or are to be entered into, or are being considered by the Lead Developer, in relation to the shareholding of the Project Company which clearly demonstrate the long-term commitment of the Lead Developer to the Project and the Project Company.
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<tbody>
<tr>
<td>1.</td>
<td>1.3.2</td>
<td>9</td>
<td>... MoW shall retain the right to request the Project Company to competitively tender for an expansion ...</td>
<td>Is it understood that the First Right of Refusal for “Expansion Works” will be with the Project Company?</td>
<td>This will be further divulged in the Sewage Treatment Agreement (“STA”) as part of the Request for Proposals (“RFP”)</td>
</tr>
<tr>
<td>2.</td>
<td>1.3.3</td>
<td>9/10</td>
<td>The Sewer Trunk Main design should cater for an anticipated flow of 1500 l/s...</td>
<td>This amounts to approx 130 MLD while the capacity proposed is 160 MLD after the capacity expansion. Kindly clarify whether a separate Sewer Trunk Main would be laid for the expansion phase.</td>
<td>As per above, details pertaining to the Expansion Works and the Technical Specifications will be further divulged as part of the RFP</td>
</tr>
<tr>
<td>3.</td>
<td>1.3.6</td>
<td>11</td>
<td>It will be the Project Company’s responsibility to prepare a comprehensive Environmental Impact Assessment...</td>
<td>Whose would be responsible for filing the EIA with the Environmental Assessment and Planning Directorate?</td>
<td>As per the RFQ section 1.3.6 the preparation and filing of the EIA will be the Project Company’s responsibility.</td>
</tr>
<tr>
<td>4.</td>
<td>1.3.5</td>
<td>10</td>
<td>Project Site Allocation</td>
<td>Kindly clarify about the Shifting of any existing utilities in the Right of Way (RoW) for the Sewer Trunk Main. Will the RoW for the Sewer Trunk Main be provided free of all</td>
<td>Further information pertaining to the site will be provided for in the Instruction to Bidders (“ITB”) and Technical Specifications as part of the RFP</td>
</tr>
<tr>
<td>5.</td>
<td>1.5.4</td>
<td>15</td>
<td>An integral part of the Project is also the construction of a conveyance system starting from the existing WWPS B1 and terminating at the site of the new Muharraq STP.</td>
<td>Would the inflow of effluent be guaranteed by MoW or some other agency? This could affect the final output of the plant setup by the Project Company</td>
<td>Please refer to section 1.3.7 and section 2.1 of the RFQ. Further information with regards to the interface with the sanitary network and associated risk allocation will be covered in the RFP.</td>
</tr>
<tr>
<td>6.</td>
<td>2.4</td>
<td>21</td>
<td>Project Financing Strategy</td>
<td>Does MoW offer a 100% Take-or-Pay Guarantee for the TSE?</td>
<td>Please refer to section 2.1 of the RFQ. Detailed information on the payment mechanism will be provided for in the STA as part of the RFP.</td>
</tr>
<tr>
<td>7.</td>
<td>3.2</td>
<td>22</td>
<td>Assessment of Applicant’s Qualifications</td>
<td>Request the following modification</td>
<td>The Government of the Kingdom of Bahrain maintains the current qualification criteria in the RFQ. Having said this, the Applicant is encouraged to submit its SoQ complete with a summary of its experience in the wider infrastructure space as this will be considered as part of the evaluation.</td>
</tr>
<tr>
<td>8.</td>
<td>3.2</td>
<td>23</td>
<td>Technical “...O&amp;M on similar STPs and sanitary networks”</td>
<td>Could this be modified as “...O&amp;M on STPs and sanitary networks”?</td>
<td>Please refer to the clarification provided above.</td>
</tr>
<tr>
<td>9.</td>
<td>3.2</td>
<td>23</td>
<td>Financial “...raising limited recourse finance for projects in the wastewater sector and infrastructure projects of similar size and complexity;”</td>
<td>Could this be changed to “...raising limited recourse finance for projects in the water sector and/or infrastructure projects of similar size and complexity;”?</td>
<td>Please refer to the clarification provided above.</td>
</tr>
<tr>
<td>10.</td>
<td>5.2.1</td>
<td>31</td>
<td>Technical Capability and expertise</td>
<td>Kindly clarify “Comparable Industrial Projects”. Would this be in terms of</td>
<td>For the avoidance of doubt, the SoQs will be evaluated amongst</td>
</tr>
<tr>
<td>11.</td>
<td>Appendix I – Confidentiality Agreement</td>
<td>34</td>
<td>&quot;Confidential Information&quot; means any information relating to you or the Project provided to us by you or any of our affiliates or advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information. Information given orally would be subject to interpretation. We feel that it is an onerous inclusion and should be deleted from this agreement.</td>
<td>It is standard, and important, for confidentiality agreements to cover information which is provided orally and in written form.</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Appendix I – Confidentiality Agreement</td>
<td>37</td>
<td>The seat, or legal place, of arbitration shall be London. The arbitration proceedings shall be located in Bahrain. This seems to be mutually contradictory. It would be better if both are kept as London.</td>
<td>The arbitral “seat” is the juridical base of the arbitration (and hence determines the nationality of the award and which procedural law applies), whereas the location of the arbitration is where the arbitral hearings will physically take place. Any arbitral hearings must take place in Bahrain.</td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>Appendix III</td>
<td>39</td>
<td>Financial Information</td>
<td>Kindly provide the definition of “JV and Associates”. JV = Joint Ventures Associates = any associated companies</td>
<td></td>
</tr>
</tbody>
</table>
Clarification No.3 – 27 August 2008

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<tbody>
<tr>
<td>14</td>
<td>3.2</td>
<td>22</td>
<td>The Authority wishes to see generally demonstrated that the Applicant has: Developed, owned, operated and maintained one or more STPs (including any trunk sewer and associated network extension and modification works experience) of similar type, complexity, scale and/or general configuration to the Project.</td>
<td>Do we have to own the project as specified to be qualified company for this project?</td>
<td>The Authority will review and assess the suitability of all bidders who submit an SOQ. The assessment will be made in the light of the various requirements and considerations outlined in the RFQ document and a balanced view will be taken.</td>
</tr>
<tr>
<td>15</td>
<td>4.7</td>
<td>29</td>
<td>… two (2) original copies of the SOQ (and an accompanying electronic copy on CD Rom) …</td>
<td>Can the SOQ documents be submitted by email by the date for submission of the SOQ and then in hard and electronic CD-Rom copy at a later date?</td>
<td>SOQs will not be accepted by email. All SOQ documentation must be submitted in accordance with section 4.7 of the RFQ by the date for submission of the SOQs (previously 28th August 2008 and now extended to 4th September 2008).</td>
</tr>
<tr>
<td>16</td>
<td>5.1</td>
<td>31</td>
<td>… supported by a power of attorney …</td>
<td>Do the Powers of Attorney to be submitted with the RFQ have to be notarized?</td>
<td>Notarisation of powers of attorney is not required at this stage; however the selected qualified Applicants may be required at a later stage to submit notarized powers of attorney upon request by the Authority.</td>
</tr>
</tbody>
</table>
DISCLAIMER

The information contained in this document has been compiled by the Ministry of Finance ("MoF"), the Ministry of Works ("MoW") and the Economic Development Board ("EDB") (together the “Authority”), on behalf of the Government of the Kingdom of Bahrain, with the assistance of HSBC Bank Middle East, Fichtner GmbH and Norton Rose (Middle East) LLP (together the “Advisers”) to assist interested parties in pre-qualifying to receive a Request for Proposal ("RFP") in relation to the Project as defined herein. It does not constitute and will not form part of any offer or invitation to make an offer in relation to the design, financing, construction, commissioning, testing, ownership, operation and maintenance of the proposed 90,000 to 100,000 m³/d Sewage Treatment Plant at Muharraq, Kingdom of Bahrain.

This document does not contain all the information that interested parties and their advisors would desire or require in reaching a decision as to any potential investment. Interested parties should form their own views as to what information is relevant to such decisions, and make their own independent investigations in relation to information contained in this RFQ or any additional information. This document outlines the Government of the Kingdom of Bahrain’s expectations in relation to the tender process and details the Government of the Kingdom of Bahrain’s current and future development plans. Such plans may not proceed and may be subject to significant change.

The Authority reserves the right, in its absolute discretion, at any stage and without notice, to terminate further participation in the process by any party, to change the structure, terms and conditions and timing of the tender process, to refuse entry to a particular party to the next stage of the process, to amend the information contained in this RFQ or to terminate the tender process itself. Neither the Authority, the Government of the Kingdom of Bahrain nor the Advisers shall have any responsibility or liability for any costs, expenses, other liabilities or implications incurred to and/or by any participants in the tender process.

The Authority also reserves the right, in its absolute discretion, to allow further parties to enter the tender process at any stage of the process whether or not those parties have submitted an SOQ in accordance with this document.

The Authority reserves the right, in its absolute discretion, to reject any or all of the SOQs, proposals or other submissions and/or to terminate an Applicant’s further participation at any time prior to the execution of the Project Agreements. Neither issuance of this RFQ nor issuance of the RFP or any other document or request by or on behalf of the Authority at any time will oblige the Authority, Government of the Kingdom of Bahrain or its Advisers to enter into any arrangement or agreement or impose any liability on any of them other than assumed pursuant to the Project Agreements when executed.

Neither the Government of the Kingdom of Bahrain, the Authority nor any of its Advisers shall be under any obligation to return any SOQ submitted by any Applicant or to reimburse any Applicant for any cost or expense, whether incurred in preparing its SOQ, response to the RFP or to any other request from the Authority, the Government of the Kingdom of Bahrain, its Advisers or otherwise.

This RFQ and the information contained herein are confidential and may not be issued, published, distributed or otherwise divulged to any other persons (other than in accordance with a signed Confidentiality Agreement in the form of Appendix I). The recipient of this RFQ shall, upon the request of the Authority, promptly return this RFQ (and all copies thereof) to MoF at the address specified in this RFQ.

This disclaimer shall remain in full force and effect notwithstanding any Project Agreements or document that may be concluded in respect of the Project.
## DEFINITIONS

| **Advisers** | HSBC Bank Middle East as financial and lead consultant  
Norton Rose (Middle East) LLP as legal consultant  
Fichtner GmbH as technical consultant |
| **Applicant** | An individual company experienced in the wastewater and water sectors or an Arrangement of companies (at least one of which has experience in the wastewater and water sectors) |
| **Arrangement** | A joint venture, partnership or other combination of international and/or Bahraini companies jointly participating as an Applicant |
| **Authority** | MoF, MoW and EDB |
| **Bahrain** | Kingdom of Bahrain |
| **BHD** | Bahrain Dinars |
| **Bidder(s)** | Has the meaning given to that term in Section 5.4.1 of this RFQ |
| **BOO** | Build Own Operate |
| **BSC (c)** | Bahrain Shareholding Company (closed) |
| **COD** | Commercial Operation Date |
| **EDB** | Economic Development Board of Bahrain |
| **EOI** | Expressions of Interest |
| **EPC** | Engineering, Procurement and Construction |
| **EPC Contractor** | The contractor to be engaged by the Project Company to undertake the EPC of the Muharraq STP |
| **EWA** | Electricity and Water Authority of Bahrain |
| **Expansion Works** | Has the meaning given to that term in Section 1.3.2 of this RFQ |
| **Facilities** | The debt and/or Islamic finance facilities that will finance the majority of the costs of the Project |
| **Finance Parties** | The financial institutions who will provide the Facilities |
| **Financial Close** | The date on which conditions precedent to the first disbursement of funds under the Facilities are met |
| **Fitch** | Fitch Ratings |
| **GCC** | Gulf Cooperation Council |
| **Government** | The Government of Bahrain |
| **IPP** | Independent Power Plant |
| **IWPP** | Independent Water and Power Plant |
| **JV** | Joint Venture |
| **kVA** | kilovolt ampere |
| **LD** | Liquidated damages |
| **l/s** | litres per second |
| **M** | Millions |
| **m³/d** | cubic metres per day |
| **MoF** | Ministry of Finance |
| **MoW** | Ministry of Works |
| **Moody’s** | Moody’s Investor Services Inc |
| **Muharraq STP** | Greenfield 90,000 to 100,000 m³/d (initial capacity) STP including a Sewer Trunk Main, associated facilities, network extension and modification works to be located in Muharraq, Bahrain |
| **MW** | Megawatts |
| **NPQ** | Notice of Pre-Qualification |
| **O&M** | Operations & Maintenance |
| **O&M Contractor** | The contractor to be engaged by the Project Company to undertake the O&M of the Muharraq STP |
| **PE** | People Equivalent |
| **Project** | The design, build, own and operate of a new 90,000 to 100,000 m³/d STP including trunk sewer, associated facilities, network extension and modification works in Muharraq, Bahrain. |
| **Project Agreements** | The principal agreements which the Project Company will enter into in connection with the Project |
| **Project Company** | The special purpose company formed to design, develop, finance, build, own, operate and maintain the Muharraq STP |
| **RFP** | Request for Proposals |
| **RFQ** | Request for Qualification |
| **SE** | Sanitary Engineering |
| **Sewer Trunk Main** | A new sewage conduit (pipe) connecting main WWPS B1 to the Muharraq STP |
| **SHA** | Shareholders Agreement |
| **Sitra STP** | The sewage treatment plant located in Sitra, Bahrain |
| **S&P** | Standard & Poor’s Corporation |
| **SOQ** | Statement of Qualification |
| **STA** | Sewage Treatment Agreement |
| **STP** | Sewage Treatment Plant |
| **Successful Bidder** | The Bidder who is awarded the Project |
| **TBD** | To be determined |
| **Tender Board** | The Bahrain Tender Board constituted pursuant to Legislative Decree No. 36 of 2002 with respect to Regulating Government Tenders and Purchases |
| **TSE** | Treated Sewage Effluent |
| **Tubli STP** | The sewage treatment plant located in Tubli, Bahrain |
| **USD** | United States Dollars |
| **WWPS** | Waste Water Pumping Station |
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EXECUTIVE SUMMARY

The Government is issuing this RFQ to seek SOQs from Applicants, who may be a single entity or an Arrangement comprising several entities.

The Project will involve the design, financing, construction, commissioning, testing, ownership, operation and maintenance of the Muharraq STP with an initial wastewater / sewage capacity of 90,000 to 100,000m³/d. Subject to terms specified in the STA, MoW will also have the right during the term of the STA to request for the Project Company to competitively tender for the implementation of the Expansion Works in order to increase the wastewater treatment capacity of the Muharraq STP to 160,000 m³/d. The Expansion Works are expected to occur not less than five years from COD of the Muharraq STP.

The Project will be located in Muharraq, on the north-eastern part of Bahrain and will be developed on a BOO basis. The Project Company (a new company which is to be incorporated and registered in Bahrain as a BSC (c) by the Successful Bidder) will be formed to undertake the Project.

Successfully pre-qualified Applicants will be invited to respond to an RFP which is expected to be issued on 5 October 2008. Construction of the Muharraq STP is scheduled to begin no later than June 2009 with COD expected to be achieved no later than June 2011. Following COD, MoW will act as the single purchaser of the treatment capacity from the Muharraq STP under a 27-year STA.

Applicants are invited to submit a SOQ to MoF, in the method specified in this RFQ, no later than 13:30 hours, 28 August 2008.

The requirements of the Applicant’s SOQ and additional details regarding the Project are set out in the following sections. Information provided in each SOQ will be used by the Authority and its Advisers to evaluate the capabilities and experience (technical, organisational / managerial and financial) of Applicants. It is then intended that fully qualified parties will be invited to participate in the subsequent competitive tender for the Project in accordance with the requirements of the Tender Board. In order to be invited to participate in the subsequent competitive tender an Applicant must submit all information requested under this RFQ, which will be treated by the Authority and its Advisers in confidence.

The MoW has entered into a contract for the reclamation of the land where the Muharraq STP is to be located and it is anticipated that the site will be ready for handover prior to the scheduled commencement of the construction activities for the Project.
1. Initial Briefing Memorandum

1.1. Introduction

As part of an ongoing Bahraini initiative to achieve national privatization objectives, the Government issued Legislative Decree No.41 of 2002 on 14 October 2002 with respect to Policies and Guidelines of Privatisation.

The Government desires to promote investment and participation by the private sector in the development of wastewater treatment services in Bahrain.

There is pressing demand for additional wastewater treatment capacity in Bahrain and it is envisaged that this demand will continue to grow as a result of strong economic and population growth in Bahrain. As a result of this and pursuant to the Privatization Decree referred to above, the Government is issuing this RFQ to seek SOQs from Applicants (who may be a single entity or an Arrangement comprising several entities) in respect of the tender and development of the Project.

The Project represents the first tender for private sector investment in the sanitary services sector in Bahrain and is part of a wider ongoing Privatization Strategy and Implementation Plan which is expected to establish the framework for unbundling and privatizing all the state owned sanitary services covering the entire country’s sanitation network.

In considering the tender of the Muharraq STP and its associated facilities to the private sector, the key objectives of the Government, amongst others are:

- to fast track the tender, construction, commissioning and therefore operation of the Muharraq STP, which should be sized economically to meet projected and future demand in the specified service territory;
- to transfer the financing responsibilities of the above to the private sector and accordingly deliver high quality and cost effective sanitary services to the public;
- to ensure that the national wastewater treatment standards adhere to both international and Bahraini environmental guidelines and requirements; and
- to ensure that the privatization of the Muharraq STP and associated facilities forms a template for future privatization of state owned sanitary services sector in Bahrain.

1.2. Project Description

The Project will be tendered to the private sector on a fast-track-basis to achieve the Government’s primary objective of economically and timely meeting of current and future wastewater treatment demand in the specified service territory. Following a plant optimisation process, the Authority has determined that the Plant shall comprise wastewater treatment capacity of 90,000 to 100,000 m³/d and shall be designed to produce TSE for unrestricted reuse for irrigation.

The Authority does not wish to prescribe the processes to be used by the Applicant in respect of either the primary or secondary elements but requires that it should conform to minimum functional specifications to be outlined in the RFP.
1.3. Technical Description

The Project comprises the development, design, engineering, permitting, procurement, manufacture, construction, testing, commissioning, operation and maintenance of the following:

- a greenfield STP designed to treat 90,000-100,000 m³/day influent; and
- related facilities including a new Sewer Trunk Main.

A general technical overview of the Project is provided below.

1.3.1. The Muharraq STP

Sizing of the Muharraq STP has been carried out by the Advisers based on population growth data i.e. PE and pipeline development planned for the Muharraq region. Section 1.5 of this RFQ provides further information on the sizing methodology and rationale.

The table below provides a guide as to corresponding wastewater flow rates against an approximation of the PE load.

<table>
<thead>
<tr>
<th>Flow (m³/day) *</th>
<th>Approximated PE Load</th>
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<tbody>
<tr>
<td>70,000</td>
<td>205,000</td>
</tr>
<tr>
<td>100,000</td>
<td>312,000</td>
</tr>
<tr>
<td>160,000</td>
<td>512,000</td>
</tr>
</tbody>
</table>

Estimated flow-rates pertaining to PE loads (* including infiltration)

The site for the Muharraq STP will be reclaimed land and is located east of Muharraq. The Applicant shall take into account the required TSE and sludge quality requirements in their final STP design. It is envisaged that the final solution will include the following components:

- Inlet facilities comprising screening & grit removal facilities;
- Waste tanker discharge station;
- Secondary treatment unit including advanced biological nutrient removal;
- Disinfection of the TSE;
- TSE storage facilities;
- TSE discharge pumping station and tanker filling;
- Sea outfall for direct TSE discharge;
- Sludge dewatering and incineration plant for sludge treatment; and
- Auxiliary /miscellaneous facilities and structures.

1.3.2. Implementation Concept

The private sector will be invited to tender for the Muharraq STP, which will have an initial treatment capacity of 90,000 to 100,000 m³/d. Subject to terms specified in the STA, MoW shall retain the right to request the Project Company to competitively tender for an expansion of the wastewater/sewage treatment capacity in the future up to 160,000 m³/d (the “Expansion Works”).

1.3.3. New Sewer Trunk Main and Associated Connection Pipes

The transmission main will be constructed either by a pressure main or by a deep gravity sewer from an existing WWPS at south west Muharraq to the proposed STP site. The Sewer
Trunk Main design should cater for an anticipated final flow of 1,500 l/s. It is envisaged that the Applicant will want to consider connecting any intermediate WWPS directly to the transmission main.

For the deep gravity sewer design option, the Sewer Trunk Main is expected to include:

- Approximately 12 km very deep gravity sewer (DN 900 up to DN 1500 mm) from the existing WWPS B1 to proposed Muharraq sewage treatment plant site;
- All necessary operation manholes;
- Connection of the existing WWPS to the gravity main; and
- Construction of the main WWPS at the inlet of the wastewater treatment plant.

For the pressure main design option, the Sewer Trunk Main is expected to include:

- Approximately 12 km of twin pressure main DN 700 to DN 900; or
- Alternatively a single pressure main with a substantial section located offshore; and
- Refurbishment of the existing WWPS B1.

1.3.4. TSE Quality Parameters and Re-Use Considerations

The following table provides the design values for TSE standards required for the Muharraq STP:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Unit</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>pH</td>
<td>-</td>
<td>6.5-9</td>
</tr>
<tr>
<td>Turbidity</td>
<td>NTU</td>
<td>2 / 0.2*</td>
</tr>
<tr>
<td>O&amp;G</td>
<td>mg/l</td>
<td>5</td>
</tr>
<tr>
<td>TSS</td>
<td>mg/l</td>
<td>10</td>
</tr>
<tr>
<td>COD</td>
<td>mg/l</td>
<td>40</td>
</tr>
<tr>
<td>BOD</td>
<td>mg/l</td>
<td>10</td>
</tr>
<tr>
<td>NH4-N</td>
<td>mg/l</td>
<td>1</td>
</tr>
<tr>
<td>NO3-N</td>
<td>mg/l</td>
<td>10</td>
</tr>
<tr>
<td>TKN</td>
<td>mg/l</td>
<td>5</td>
</tr>
<tr>
<td>Ptot</td>
<td>mg/l</td>
<td>1</td>
</tr>
<tr>
<td>Faecal Coliform</td>
<td></td>
<td>&lt;1,000/100ml</td>
</tr>
<tr>
<td>Helminth eggs</td>
<td></td>
<td>&lt;1/1,000ml</td>
</tr>
</tbody>
</table>

(*) value for MBR technology

1.3.5. Project Site Allocation

The Government has allocated a site for the Project and is expected to lease this site (on its standard terms and including all necessary easements and rights of way for interconnection and access to the site) to the Project Company for a nominal annual rent.

An experienced land reclamation contractor has been engaged by the MoW to carry out the reclamation works. Details of the reclamation works will be provided to pre qualified Applicants in the RFP.
1.3.6. Environmental Requirements

It will be the Project Company’s responsibility to prepare a comprehensive Environmental Impact Assessment for the Project for the purposes of filing with the Environmental Assessment and Planning Directorate in accordance to Decree Law no. 21 of 1996. It is of paramount importance to the Government that the Project adheres to both international and Bahraini environmental guidelines and requirements.

1.3.7. Interfaces with the sanitary network

The Project will receive influent through the existing sewerage network at specified influent delivery points and discharge TSE to the network at the TSE outflow point of the Muharraq STP. It is expected that the required instrumentation e.g. for metering, sampling and measurement will be installed by the Project Company at these defined interface points. These interface points will be clearly defined in the RFP.

1.3.8. Electricity

The Muharraq STP shall be connected to the public grid for power supply. The Project Company will be expected to secure electricity for the operation of the Muharraq STP from the EWA. Required transformers, main electrical switchboards, metering units, etc. are to be provided by the Project Company. The maximum power consumption for the Muharraq STP and associated facilities is estimated to be 2,500 kVA. An emergency power supply unit must be provided by the Project Company in order to maintain the operation of all vital facilities needed for an uninterrupted operation of the Muharraq STP in periods where there are power outages.

The cost of electricity will be paid by the MoW in accordance with the STA through a capped supplementary charge.

1.3.9. Sludge Considerations

The Authority requires that the Project Company be responsible for sludge disposal. As part of this process it is envisaged that an incinerator and any other suitable alternative may form part of the design solution.

1.4. Project participants

Within the Project’s structure, the following Bahrain entities will be directly or indirectly involved.

1.4.1. MoF

The MoF is responsible for formulating and implementing the financial policies within the overall vision and directives of the Government. The MoF prepares the State General Budget in coordination with other ministries and public entities in a way that reflects the financial and economic objectives of Bahrain.

MoF’s key objectives for the Project and the sector are to reduce the role of the Government in public utilities in the long term in order to achieve:
• a shift in role from service provider to regulator and more specifically achieve full privatization of the state-owned sanitary sector in Bahrain; and
• improvement in efficiency through introduction of management best practices, international O&M capabilities and process technology.

1.4.2. SE of MoW

SE of MoW is responsible for the sanitation sector in Bahrain. Its responsibilities under the Sanitary Engineering Planning and Projects Directorate, as well as the Sanitary Engineering Operation and Maintenance Directorate include:

• planning, designing and building sewerage treatment plants, including treatment stations and rainwater and agricultural water drainage and planning;
• controlling and calculating the budgets and allocations for waste water drainage;
• producing and distributing TSE and its uses in irrigating gardens, landscaping and farms;
• controlling contractors’ works to ensure that they are in compliance with the designs and specifications and selecting and appointing consultants for major projects; and
• operating and maintaining the public sanitary utilities, including the transmission of the sewerage influent from civil, commercial and industrial buildings and installations through the sewage network to the treatment stations.

MoW will be responsible for the TSE once it has been treated to specified standards at the Muharraq STP by the Project Company.

1.4.3. EDB

The Bahrain Economic Development Board is a dynamic public agency with an overall responsibility for formulating and overseeing the economic development strategy of Bahrain and for creating the right climate to attract direct investment into Bahrain. The role of the EDB includes the provision of key co-ordination, support and oversight in formulating the vision and implementing the development strategy of Bahrain. The EDB is chaired by the His Highness the Crown Prince Sheikh Salman bin Hamad Al Khalifa of the Kingdom of Bahrain and plays a leading role in a number of important projects in Bahrain.

1.4.4. General Directorate for Protection of Environment and Wildlife

The Public Commission for the Protection of Marine Resources, Environment and Wildlife is responsible for the regulation, oversight and implementation of the Government’s environmental policies in Bahrain.

The Environmental Assessment and Planning Directorate of the General Directorate of Protection of the Environment and Wildlife is responsible for the assessment of environmental impact reports to be prepared by the Project Company.
1.5. Overview of the Muharraq Service Territory

1.5.1. Present wastewater treatment capacity in Bahrain

The following table provides an overview of the current sanitary services system in Bahrain.

<table>
<thead>
<tr>
<th>Plant location</th>
<th>Year of commission</th>
<th>Design Capacity (m³/d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>STP Tubli</td>
<td>1980</td>
<td>200,000</td>
</tr>
<tr>
<td>STP Muharraq</td>
<td>Not yet</td>
<td>90,000-100,000</td>
</tr>
<tr>
<td>STP Sitra</td>
<td>Not yet</td>
<td>12,500</td>
</tr>
<tr>
<td>Maamir Industrial Area / STP</td>
<td>Not yet</td>
<td>TBD</td>
</tr>
<tr>
<td>Hidd Industrial Area/ STP Khalifa bin Salman Port</td>
<td>Not yet</td>
<td>2,000</td>
</tr>
<tr>
<td>STP South Alba</td>
<td>1994</td>
<td>900</td>
</tr>
<tr>
<td>Bahrain University</td>
<td>1986</td>
<td>500</td>
</tr>
<tr>
<td>Jau WWTP</td>
<td>1988</td>
<td>400</td>
</tr>
<tr>
<td>Jasrah WWTP</td>
<td>1984</td>
<td>330</td>
</tr>
<tr>
<td>Askar WWTP</td>
<td>1982</td>
<td>280</td>
</tr>
<tr>
<td>Hamalah WWTP</td>
<td>2005</td>
<td>250</td>
</tr>
<tr>
<td>Al Dur WWTP</td>
<td>2005</td>
<td>60</td>
</tr>
<tr>
<td>Jiddah Island WWTP</td>
<td>1984</td>
<td>25</td>
</tr>
</tbody>
</table>

Existing wastewater treatment capacity and supply information

1.5.2. Muharraq Service Territory

Muharraq is situated on an island in the north-east of Bahrain and connected to Bahrain’s main island via three road bridges. The south of the Muharraq area borders the Hidd industrial area and the Khalifa bin Salman Port. The Muharraq area is subject to constant change due to planned extensive land reclamation which amounts to approximately 40 km² at the moment.

The future land use in the Muharraq area is expected to be of high diversity. The existing settlements consist mainly of low density housing areas and the historic old town, which are situated south of Bahrain International Airport. In the future, the Government plans to extend these housing areas to an unused area in the west of the airport. Furthermore, about 26 km² of artificial islands will be reclaimed in the north and east, where a mix between light and high-tech industry, residential zones of different densities and recreational areas shall be located. A plot of about 9 km² is reserved for the future airport expansion.

With respect to the above mentioned land reclamation and expansion projects, a significant growth of population and consequently an increase in wastewater production mostly from domestic and a few industrial sources is expected.

1.5.3. Demographic Situation and Population Development

The Government expects strong population growth within the Muharraq area as a result of large scale land reclamation works and ongoing developments e.g. new residential areas,
industrial zones, an airport extension and port facilities. These developments are expected to cause a surge in population growth in the next few years after which the growth is expected to continue at a moderate rate.

<table>
<thead>
<tr>
<th>Area / Scenario</th>
<th>Parameter</th>
<th>2007</th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
<th>2030</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muharraq</td>
<td>Population</td>
<td>161,000</td>
<td>184,329</td>
<td>276,628</td>
<td>312,979</td>
<td>400,640</td>
<td>512,853</td>
</tr>
<tr>
<td>High</td>
<td>Growth rate until</td>
<td>-</td>
<td>7.0 % p.a</td>
<td>7.0 % p.a</td>
<td>2.5 % p.a</td>
<td>2.5 % p.a</td>
<td>2.5 % p.a</td>
</tr>
</tbody>
</table>

**Estimated Muharraq population growth**

The table below illustrates the point made in connection with expected growth from new developments. It can be seen that most of the population growth is driven by new areas and resulting developments. By the year 2030, it is expected that approximately 43% of the population will be situated in the new Muharraq area.

<table>
<thead>
<tr>
<th>Inhabitants</th>
<th>2007</th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
<th>2025</th>
<th>2030</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Areas</td>
<td>161,000</td>
<td>170,854</td>
<td>188,637</td>
<td>208,271</td>
<td>229,948</td>
<td>248,231</td>
<td>250,000</td>
</tr>
<tr>
<td>Future Areas</td>
<td>N/A</td>
<td>13,475</td>
<td>87,991</td>
<td>104,708</td>
<td>124,159</td>
<td>152,409</td>
<td>262,853</td>
</tr>
<tr>
<td>Muharraq Total</td>
<td>161,000</td>
<td>184,329</td>
<td>276,628</td>
<td>312,979</td>
<td>354,107</td>
<td>400,640</td>
<td>512,853</td>
</tr>
</tbody>
</table>

**Subdivision of inhabitants to existing and new areas**

The table below provides an overview of the division between existing and future areas and is represented in the following map:

![Existing and future development areas](image)
<table>
<thead>
<tr>
<th>Area</th>
<th>Description</th>
<th>Area [ha]</th>
<th>[%]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Areas</td>
<td>Residential / mixed area</td>
<td>1,810</td>
<td>18.7</td>
</tr>
<tr>
<td></td>
<td>Bahrain International Airport</td>
<td>580</td>
<td>6.0</td>
</tr>
<tr>
<td></td>
<td>Hidd Industrial Area / KBS Port</td>
<td>1,620</td>
<td>16.7</td>
</tr>
<tr>
<td>Future Areas</td>
<td>Residential / mixed area (mainland)</td>
<td>1,580</td>
<td>16.3</td>
</tr>
<tr>
<td></td>
<td>Residential / mixed area (artificial islands)</td>
<td>2,600</td>
<td>26.9</td>
</tr>
<tr>
<td></td>
<td>Airport extension</td>
<td>920</td>
<td>9.5</td>
</tr>
<tr>
<td></td>
<td>Hidd / KBS Port extension</td>
<td>570</td>
<td>5.9</td>
</tr>
<tr>
<td>Total</td>
<td>All Areas</td>
<td>9,680</td>
<td>100</td>
</tr>
</tbody>
</table>

Relation between existing and new areas

1.5.4. Future Wastewater Production

The proposed Muharraq STP has been defined as a priority investment by the MoW in order to improve the overall wastewater treatment system for the Muharraq area and also the wider sanitation network by reducing the wastewater flow to the Tubli STP in Manama.

An integral part of the Project is also the construction of a conveyance system starting from the existing WWPS B1 and terminating at the site of the new Muharraq STP. The capacity of this new and partly upgraded wastewater conveyance system which covers the catchment area south of the airport has been sized for the scheduled wastewater flow in 2030.

<table>
<thead>
<tr>
<th>Unit</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muharraq population (2007)</td>
<td>161,000</td>
</tr>
<tr>
<td>Average wastewater production</td>
<td>267</td>
</tr>
<tr>
<td>Infiltration rate</td>
<td>30</td>
</tr>
<tr>
<td>Infiltration</td>
<td>85</td>
</tr>
<tr>
<td>Average dry weather flow to Muharraq STP</td>
<td>352</td>
</tr>
<tr>
<td>Design peak factor</td>
<td>1.78</td>
</tr>
</tbody>
</table>

Summarize figures used for the design basis:

Given the high population growth rate and corresponding growth in wastewater treatment capacity, the future development of the catchment area of the Muharraq area as well as Bahrain in general, the Muharraq STP will require a highly flexible technological, financial and implementation concept which is further described in Section 2 of this RFQ.
1.6. Indicative Project Timetable

The timetable currently envisaged is as follows, but is subject to change at any time at the discretion of the Authority:

<table>
<thead>
<tr>
<th>ID</th>
<th>Project Milestone</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Issue of RFQ</td>
<td>28 July 2008</td>
</tr>
<tr>
<td>2</td>
<td>Receipt of SOQs</td>
<td>28 August 2008</td>
</tr>
<tr>
<td>3</td>
<td>Issue of NPQs</td>
<td>2 October 2008</td>
</tr>
<tr>
<td>4</td>
<td>Issue of RFP</td>
<td>5 October 2008</td>
</tr>
<tr>
<td>5</td>
<td>Pre-Bid Conference (Bahrain)</td>
<td>RFP issuance + 3 weeks</td>
</tr>
<tr>
<td>6</td>
<td>Bid Submission Date</td>
<td>RFP issuance + 4 months</td>
</tr>
<tr>
<td>7</td>
<td>Selection of Preferred Bidder</td>
<td>RFP issuance + 6 months</td>
</tr>
<tr>
<td>8</td>
<td>Signing of Project Agreements</td>
<td>RFP issuance + 9 months</td>
</tr>
<tr>
<td>9</td>
<td>Financial Close</td>
<td>RFP issuance + 11 months</td>
</tr>
<tr>
<td>11</td>
<td>Project Commercial Operation Date</td>
<td>June 2011 [Signing of the Project Agreements + 24 months]</td>
</tr>
</tbody>
</table>
2. Project Commercial Structure

This section provides an overview of the key features of the anticipated commercial structure. The RFP will finalise the Project structure and provide draft versions of certain key contractual agreements and summaries of the terms of certain other relevant agreements.

2.1. Commercial Summary

The Project is expected to be tendered on the following basis:

- MoW will be the counterparty to the STA;
- The Project will involve the implementation of a greenfield STP including the Sewer Trunk Main on a BOO basis;
- The Project Company will be a new company which is to be incorporated and registered in Bahrain as a BSC (c) and is to be formed by the Successful Bidder to undertake the Project;
- The Project Company will be responsible for the development, financing, procurement, construction, ownership, operation and maintenance of the Muharraq STP and its associated facilities;
- Under terms and conditions of a STA to be executed with the Project Company, payment will be made to the Project Company based on the following:
  - wastewater treatment capacity;
  - volume of influent treated where applicable; and
  - supplementary charges stipulated under the STA where applicable;
- The STA will also cover, amongst other things, the following matters:
  - the financing, development, design, engineering, procurement, manufacture, construction, completion, permitting, testing, commissioning, insurance, ownership, operation, maintenance and decommissioning of the Muharraq STP;
  - the treatment of influent received from MoW and the delivery of TSE to MoW;
  - MoW’s monitoring rights (including performance reviews);
  - the Project Company’s responsibilities in matters relating to sludge (and, if relevant ash) disposal;
  - the Project Company’s responsibilities to other Bahrain stakeholders where applicable;
  - the Expansion Works; and
  - deductions, penalties, indexation, LDs or other compensation in response to any deviation from the terms and conditions of the STA.
• The Project Company will connect into MoW's sanitary transmission system for receiving raw untreated influent;

• The Project Company will deliver TSE to the required standards as governed by the STA to MoW at TSE Delivery Point(s) to be agreed;

• The Project Company shall be responsible for procuring electricity for the operation of the Muharraq STP from EWA; and the cost of electricity will be paid by the MoW in accordance with the STA through a capped supplementary charge.

• The Authority has allocated a site for the Project and the Government is expected to lease this site (on its standard terms and including easements and rights of way for interconnection and access to the site) to the Project Company for a nominal annual rent.

• The EPC term sheet for the Muharraq STP that Applicants will be required to submit under the RFP should contain, at a minimum, the following commercial terms:
  − Single point responsibility so that the EPC Contractor shall be responsible for all design engineering, procurement, construction, commissioning and testing for the Muharraq STP;
  − Fixed contract price i.e. cost overruns are borne by the EPC Contractor;
  − Scheduled completion date within which the works must be completed, that will be backed by liquidated damages payable by the EPC Contractor if it fails to adhere to the construction schedule;
  − Defects liability in order that the EPC Contractor is obliged to repair defects that occur within a set time frame following completion; and
  − An appropriate security package comprising parent company guarantees (where applicable) and unconditional performance bonds issued by a bank acceptable to the Authority.

• The O&M term sheet that each Applicant will be required to submit under the RFP should contain, as a minimum, the commercial terms described below:
  − Scope of services – pre-operations phase if applicable and operations phase;
  − Relevant charges to the Project Company to cover all O&M costs including any indexed fee or agreed escalation mechanism; and
  − Performance targets and termination grounds reflecting the STA.

• The Successful Bidder will establish a Project Company which may be a 100% foreign owned company or a suitable joint venture with local shareholding as appropriate

As described above, the development of the Project will require the execution of a number of commercial Project Agreements with various parties. The principal Project Agreements are set out in the diagram in Section 2.2 of this RFQ.
2.2. Muharraq STP Indicative Commercial Contracts Matrix

![Diagram of Muharraq STP Indicative Commercial Contracts Matrix]

- **MoF**
  - [TBD]
  - Land Lease Agreement
  - Annual Budget Allocation for payment obligations under the STA

- **MoW**
  - [TBD]
  - STA
  - Influent Payment for electricity

- **EWA**
  - Electricity

- **Project Company**
  - EPC Contract
  - O&M Contract

- **Developers**
  - Shareholders' Agreement

- **EPC Contractor**
- **O&M Contractor**
2.3. List of Project Agreements

Please see below a list of expected Project Agreements (involving the Project Company).

<table>
<thead>
<tr>
<th>Party</th>
<th>Role</th>
<th>Commercial Project Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Government</strong></td>
<td>Grantor of rights to the Muharraq STP site</td>
<td>Land Lease Agreement</td>
</tr>
<tr>
<td>MoW</td>
<td>Single supplier of influent to the Project Company</td>
<td>STA</td>
</tr>
<tr>
<td>Developer(s)</td>
<td>Project Company shareholder(s)</td>
<td>SHA</td>
</tr>
<tr>
<td></td>
<td>Possibly, EPC contractor</td>
<td>EPC contract</td>
</tr>
<tr>
<td></td>
<td>Possibly, O&amp;M contractor</td>
<td>O&amp;M contract</td>
</tr>
<tr>
<td>Project Company</td>
<td>Developer of the Muharraq STP</td>
<td>STA (Project Company would have primary responsibility under the STA, and would sub-contract this responsibility to the EPC Contractor under the EPC Contract)</td>
</tr>
<tr>
<td></td>
<td>Provider of influent treatment capacity</td>
<td>STA (Project Company would have primary responsibility under the STA, and may sub-contract this responsibility to an O&amp;M Contractor under the O&amp;M Contract.)</td>
</tr>
<tr>
<td></td>
<td>Provider of Treated Sewage Effluent (TSE) and disposer of sludge to prescribed standards</td>
<td>STA (Project Company would have primary responsibility under the STA, and may sub-contract this responsibility to an O&amp;M Contractor under an O&amp;M Contract.)</td>
</tr>
<tr>
<td></td>
<td>Operator of the Muharraq STP</td>
<td>STA (Project Company would have primary responsibility under the STA, and may sub-contract this responsibility to an O&amp;M Contractor under an O&amp;M Contract.)</td>
</tr>
<tr>
<td></td>
<td>Site user and lessee</td>
<td>Land Lease Agreement</td>
</tr>
<tr>
<td></td>
<td>Electricity supply</td>
<td>Power and Water supply Contract with EWA</td>
</tr>
<tr>
<td>EPC Contractor</td>
<td>Responsible for construction of the Muharraq STP</td>
<td>EPC Contract</td>
</tr>
<tr>
<td>O&amp;M Contractor</td>
<td>Responsible for the operation and maintenance of the Muharraq STP.</td>
<td>O&amp;M Agreement</td>
</tr>
</tbody>
</table>
2.4. Project Financing Strategy

The Authority will expect the Successful Bidder to contribute 100% of the equity required for the Project. The Project Company’s shareholders will obtain their returns from dividends paid from the cash generated by the Project and servicing of shareholder subordinated debt (if applicable).

The Authority expects that up-front capital costs of the Project, which it is envisaged will be in excess of USD100m, will be fully underwritten by the Bidder as part of its bid.

The Authority further expects the senior debt to be without recourse to the shareholders of the Project Company. The responsibility for raising the debt facilities and carrying out all such discussions and negotiations with providers of such facilities will lie solely with the Successful Bidder.
3. Pre Qualification Process

3.1. The Authority's Requirements

Application for pre-qualification is open, on an individual basis, to all entities with a good track record which are engaged in the wastewater sector, or to an Arrangement, in which at least one entity has a good track record and is engaged in the wastewater sector. For the avoidance of doubt, entities that are not engaged in the wastewater sector (e.g. financial investors) are permitted to submit applications for pre-qualification, provided that they form part of an Arrangement, where at least one member has the requisite wastewater sector experience.

If two or more entities associate themselves in an Arrangement, each entity must submit the documentation required by this RFQ (including the requirements outlined in Appendix I, II, III and IV).

Each Arrangement should designate a “Lead Developer” as chief point of contact and “manager” of that Arrangement. The Lead Developer must be experienced in the wastewater sector and hold a majority shareholding in the Project Company. Each other entity within an Arrangement is expected to have at least a 10% interest in the Arrangement.

Each Applicant, or if an Arrangement, each member of such Arrangement, shall be a business organisation duly organised and existing and registered in good standing under the laws of its country of domicile. Please note that both foreign and Bahraini entities are permitted to pre-qualify on an individual basis or as part of an Arrangement, provided that the relevant entity has, or if an Arrangement, such Arrangement has at least one member which has experience in the wastewater sector.

Unless approved in writing by the Authority, no Applicant shall be, or contain any entity that is, a member of more than one Arrangement responding to this RFQ in the capacity as potential shareholder in the Project Company. Please note that this requirement is not intended to restrict potential equipment suppliers or EPC Contractors supporting more than one Applicant.

Following submission of the SOQ, should entities within an Arrangement seek to change their membership structure or levels of participation within such Arrangement, the prior written approval of the Authority is required.

The Authority expects that the Successful Bidder (and the designated Lead Developer) will retain its interest in the Project for a substantial period following execution of the Project Agreements. In its reply to the RFP (although not in its reply to this RFQ), each Applicant will be expected to discuss its intentions in respect of retention of its ownership interest in the Project Company.

Applicants are invited to submit a SOQ to the Authority no later than 13.30 hours on Thursday the 28 August 2008

3.2. Assessment of Applicant’s Qualifications

Within the SOQ (for which the required format is outlined in Section 4 of this RFQ), the Authority wishes to see generally demonstrated that an Applicant has:

- Developed, owned, operated and maintained one or more STPs (including any trunk sewer and associated network extension and modification works experience) of similar type, complexity, scale and/or general configuration to the Project; and

- Successfully developed and closed financing packages for projects in the wastewater sector and projects of similar type, complexity, scale and/or general configuration to the Project through limited recourse finance.
Specifically, the Applicant should demonstrate in the SOQ that it has the ability to undertake the Project, including but not limited to the following qualifications:

**Technical**
- Experience and track record in relation to carrying out O&M on similar STPs and sanitary networks;
- Technical organisation of the Applicant and number of suitably qualified personnel available to the Applicant in developing the Project; and
- Technical capability of any subcontractor proposed for the Project specifically but not limited to the task they will be asked to perform.

**Development**
- Experience in designing, developing and constructing greenfield STPs including trunk sewer and associated network extension, rehabilitation and modification works; and
- Experience in designing, developing and constructing infrastructure projects of similar size and scale.

**Financial**
- Experience and track record in relation to raising limited recourse finance for projects in the wastewater sector and infrastructure projects of similar size and complexity; and
- Financial capacity and resources available to the Applicant for investment in the Project.

### 3.2.1. Additional Requests for Information

Should Applicants require additional information in relation to the Project, or this RFQ such request should be made in writing with attention to Mr. Sayed Faeq Mohammed Jaffar Mohammed:

```
Ministry of Works Bahrain
Sanitary Engineering
Building No-68
Avenue – 88
Salmabad – Block No. 702
Kingdom of Bahrain
Tel +973 17784284
e-mail: faeq@mwh.gov.bh
```

and copied to:

Mr. Grant Thomas (email: grant.x.thomas@hsbc.com); and Mr. Matthew Nathan (email: matthewnathan@hsbcib.com)

Applicants shall note that any request for information received within 48 hours of the deadline for submission of the SOQ will not be responded to.

In due course, if the Authority requires additional information on the references submitted by the Applicant, the Authority may request such information from the Applicant. Although no Applicant shall have the right to make an oral presentation to the Authority, the Authority reserves the right to request oral presentations from Applicants if deemed appropriate.
3.3. Notices of Pre Qualification

The Authority will issue the NPQ in writing to the selected qualified Applicants. NPQs will be issued by 2 October 2008 following which the RFP is scheduled to be issued on 5 October 2008 to each pre qualified Applicant.

The Authority reserves the right, in its absolute discretion, to reject any or all of the SOQs, proposals or other submissions and / or to terminate an Applicant’s further participation at any time prior to the execution of the Project Agreements. Neither issuance of this RFQ nor issuance of the RFP or any other document or request by or on behalf of the Authority at any time will oblige the Authority or its Advisers to enter into any arrangement or agreement or impose any liability on any of them other than assumed pursuant to the Project Agreements when executed.

Neither the Authority nor any of its Advisers shall be under any obligation to return any SOQ submitted by any Applicant or to reimburse any Applicant for any cost or expense, whether incurred in preparing its SOQ, response to the RFP or to any other request from the Authority, its Advisers or otherwise.

3.4. Disqualification

MoW may disqualify or reject an Applicant’s SOQ for any reason at the Authority’s sole discretion, including, inter alia, the following reasons:

- Receipt of the SOQ after 13:30 hours, Thursday the 28 August 2008;
- Failure by the Applicant to submit the SOQ in the prescribed format, including the Confidentiality Agreement (attached at Appendix I), Submission Letter (attached at Appendix II), required Financial Information (attached at Appendix III) and the Declaration (attached at Appendix IV), or any other information required by this RFQ;
- Misrepresentation within the SOQ;
- Failure upon reasonable request by the Authority, to disclose additional information relating to the Applicant’s experience, such information being necessary in the Authority’s judgement to properly evaluate the Applicant’s qualifications;
- Determination by the Authority that the Applicant will be unable to fulfil the requirements of the Project Agreements. Such determination may result from a record of unsatisfactory past performance, including defective workmanship, non-compliance with contract terms or other deficiencies or otherwise;
- Past failure of the Applicant to comply with the terms of any bid, letter of intent or contract with the Authority or its associates, or any government entity in the GCC, whether in an individual capacity or as part of a joint venture or partnership;
- The existence of overdue debts (in a material amount) in the GCC or the existence of significant contingent liabilities;
- The Applicant is bankrupt or being wound up, its affairs are being administered by the Court, it has entered into an arrangement with creditors or has suspended business activities;
- The Applicant is the subject of proceedings for a declaration of bankruptcy, for an order for compulsory winding up or administration by the Court for an arrangement with creditors or has suffered any other analogous event;
- The Applicant has been convicted of an offence concerning its professional misconduct in the course of his business or profession;
- The Applicant has committed an act of professional misconduct in the course of its business or profession;
• If relevant, the Applicant has not fulfilled its obligations relating to the payment of social security contributions in accordance with the laws of the country in which it is established or of Bahrain;

• The Applicant has not fulfilled its obligations relating to the payment of taxes in accordance with the laws of the country in which it is established or of Bahrain; and

• The Applicant has violated the labour laws of Bahrain and/or the GCC states.

Applicants should note that to ensure a fair evaluation of the SOQs, this Pre Qualification Process is strictly subject to the Tender Board rules and regulation. Canvassing in any form will result in disqualification of the Applicant.
4. SOQ Requirements

Each SOQ is required to include the following sections:

- Executive Summary;
- Corporate Structure;
- Technical Capability;
- Financial Capability;
- Additional Capabilities;
- Appendix I (Confidentiality Agreement);
- Appendix II (Submission Letter);
- Appendix III (Financial Information); and
- Appendix IV (Declaration).

4.1. Executive Summary

The Executive Summary section of the SOQ shall provide a brief description of:

- The Applicant’s qualifications for the Project (using the criteria outlined in Section 5 of this RFQ as the base for responses);
- The Applicant’s corporate structure and history and, if an Arrangement, the identification of all entities within the Arrangement, levels of participation thereof and the identity of the Lead Developer, together with summaries of their corporate structures and histories; and
- Envisaged use of EPC and O&M sub-contractors.

4.2. Corporate Structure

The Corporate Structure section of the SOQ shall comprise the following:

4.2.1. Contact Information

<table>
<thead>
<tr>
<th>Information Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Name</td>
</tr>
<tr>
<td>Contact Details (Contact Person, Address, Tel, E-Mail, Fax, Website)</td>
</tr>
<tr>
<td>Parent Company Name</td>
</tr>
<tr>
<td>Parent Company Contact Details (Contact Person, Address, Tel, E-Mail, Fax, Website)</td>
</tr>
<tr>
<td>(If Applicable) Bahrain / Regional Company Name</td>
</tr>
<tr>
<td>Relevant Contact Details (Contact Name, Address, Tel., E-Mail, Fax, Website)</td>
</tr>
</tbody>
</table>
4.2.2. Summary Corporate Information

<table>
<thead>
<tr>
<th>Information Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year Established</td>
</tr>
<tr>
<td>Company Profile (summary description including corporate history)</td>
</tr>
<tr>
<td>Key Financial Information (for 2005-2007)</td>
</tr>
<tr>
<td>Turnover</td>
</tr>
<tr>
<td>Net Income</td>
</tr>
<tr>
<td>Total Assets</td>
</tr>
<tr>
<td>Net Assets / Shareholders Funds</td>
</tr>
<tr>
<td>Current Market Capitalisation (if listed)</td>
</tr>
<tr>
<td>Current long term unsecured parent company credit rating (S&amp;P, Moody’s, Fitch and other ratings agencies)</td>
</tr>
<tr>
<td>Identity of Company Auditor(s) (for 2005-2007)</td>
</tr>
</tbody>
</table>

4.2.3. Organisational Structure

This sub-section shall contain the following:

- A description and / or organisational chart of the organisational and corporate structure(s) of the Applicant (i.e. identity of intermediate shareholders, levels of shareholding and ultimate parent company) and in the case of an Arrangement of each entity within the Arrangement (including, for example, distribution of shareholdings, apportionment of roles and responsibilities within the Arrangement (e.g. EPC Contractor, O&M Contractor etc), envisaged intra-Arrangement agreements and the degree to which a formal relationship exists among the entities within the Arrangement at the date of the SOQ etc);

- An organisation chart for the elements of an Applicant that carry out the design, development, manufacturing, construction, ownership, operation and maintenance of STPs, or their constituent parts;

- A description of the technical, operational and managerial resources (including training resources) available to entities identified in the relevant organisation chart in the period up to the Financial Close of the Project; and

- A description of the level of commitment presently displayed by envisaged EPC contractors and / or equipment suppliers and / or O&M contractors.

4.3. Technical Capability

The Technical Capability section of the SOQ shall provide a summary table including the following information (to the extent applicable), in respect of each STP and sanitary networks the Applicant has designed, constructed, developed and / or operated within the last ten (10) years, including STPs and sanitary networks that are currently under construction. For the avoidance of doubt, each entity within an Arrangement is also required to complete this requirement.
4.3.1. Overview of Technical Capability

**Summary of Relevant Project Experience**

<table>
<thead>
<tr>
<th>Name of Project/ Tendering Client</th>
<th>Location</th>
<th>Type/ Size of Plant/Project/ Contract Value/ Term of Contract</th>
<th>Involvement of Applicant or Consortium</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

4.3.2. Wastewater Sector Project Details

**Information Requirements**

- Name of Plant and Location
- Project Type: STP (e.g. BOO, BOOT), Self-built, utility, etc.
- Developer (if applicable)

**Type of Plant:**
- e.g. STP type, facilities for TSE storage and disposal, CAS, MBR including advanced BNR technology, TSE to be reused for unrestricted irrigation.
- e.g. Experience with main sewer conveyance system including very deep sewers, waste water pumping stations and sanitary network connection piping, SCADA systems, etc

**Number of Units, Treatment, Process:**
- e.g. STP consisting of 2 parallel treatment trains, no. TSE storage tanks, main sewerage conveyance pipe, sludge incineration plants, etc

**Key Equipment Manufacturers**

**Owner of the Plant**

**Applicant’s Role in the Project (e.g. EPC Contractor, O&M-Contractor, Developer, etc.)**

**For whom wastewater services provided**

**Project / Plant Costs**

**Lead institution financing the project**

**Source of Funds**

**Finance contributed by Applicant**

**Date of Financial Close (if applicable)**

**Date of Project/Plant Commercial Operations**

**References**

The Applicant shall also include any other relevant information concerning the Applicant's technical capability that the Applicant believes would assist MoW in assessing the Applicant’s SOQ. For instance, this may include information on other industrial / infrastructure plants the Applicant has developed in the last ten (10) years.

4.4. Financial Capability

The Financial Capability section of the SOQ shall consist of the following:

- Provision of audited financial statements for the Applicant’s financial years 2005, 2006 and 2007. The financial statements shall include a consolidated balance sheet, consolidated income statement and, where applicable, consolidated cash flow statement;
- If applicable, details of adjustments in the Applicant’s parent company long term unsecured credit rating (provided by Moody’s, S&P and any other ratings agency widely used by the Applicant) since 1 June 2006;
• In respect of potential equity contributions by the Applicant, details of the level and source of funds available for investment in the Project Company (whether through contributions of cash equity or through shareholder loans); and

• Provision of the following summary table in respect of each infrastructure project (i.e. not only STPs) for which the Applicant has developed a limited recourse financing package since 1 June 1998:

<table>
<thead>
<tr>
<th>Information Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Plant and Location</td>
</tr>
<tr>
<td>Type of Plant (and technology)</td>
</tr>
<tr>
<td>Owner of the Plant</td>
</tr>
<tr>
<td>Applicants Role in the Project (pre and post completion)</td>
</tr>
<tr>
<td>Project / Plant Costs</td>
</tr>
<tr>
<td>Sources of Debt Finance</td>
</tr>
<tr>
<td>Lead Arrangers of Debt Finance</td>
</tr>
<tr>
<td>Sources of Equity Finance</td>
</tr>
<tr>
<td>Finance contributed by Applicant</td>
</tr>
<tr>
<td>Date of Financial Close (if applicable)</td>
</tr>
<tr>
<td>Date of Project/Plant Commercial Operations</td>
</tr>
</tbody>
</table>

In addition, the Applicant must also complete Appendix III (Financial Information).

4.5. Additional Capabilities

Provided that the minimum requirements specified in the RFQ are complied with, Applicants are free to submit any other information they feel would be useful to MoW in respect of its evaluation of their corporate structure, organisational, technical or financial capability and experience.

4.6. Law and Language

The language of the SOQ shall be English. Any supplementary documents provided in any language other than English should be accompanied by an appropriately certified translation. Except as otherwise specified in this RFQ, the SOQ and all other documents relating to the Muharraq STP (including the STA) shall be governed by laws of Bahrain.

4.7. Administrative Requirements

All Applicants must submit two (2) original copies of the SOQ (and an accompanying electronic copy on CD Rom), delivered not later than **13:30 hours on Thursday, 28 August 2008** to the following address:

**Director of Privatisation and Outsourcing,**  
Ministry of Finance Bahrain (8th Floor, Room 814)  
Building No100, Road 1702, Block 317, Diplomatic Area  
Kingdom of Bahrain  
Tel +973 17575565
and one (1) original copy of the SOQ (and an accompanying electronic copy on CD Rom), shall be delivered not later than close of business, 28 August 2008 to the following address:

**Mr. Grant Thomas**  
Director Project and Export Finance  
HSBC Bank Middle East – DIFC Branch  
Level 4, Precinct Building 4,  
Gate District, PO Box 506553  
Tel +971 4 509 3636 (office) and +971 50 459 1472 (mobile)  
Email: grant.x.thomas@hsbc.com

It is the sole responsibility of the Applicant to ensure that its SOQ is delivered to the above address by the stated deadline. In order to minimise the possible loss of contents due to a split in a single envelope or box containing the SOQ (for which the Applicant will be solely responsible), each SOQ shall be enclosed in a sealed envelope or box, which is itself encased in another envelope or box.

Both envelopes / boxes should be marked with the above full address on the face and with the following information marked on the rear:

| Statement of Qualification for the Muharraq STP | From [Applicant Contact Person and Applicant Name] |
| Address | Telephone Number | E-Mail Address |

Each SOQ shall be accompanied by a signed **Confidentiality Agreement** in the form attached at **Appendix I**.

Each SOQ shall be certified as to its accuracy by a person legally authorised to bind the Applicant, through signing the prescribed **Submission Letter** in the form attached at **Appendix II**.

Each SOQ shall contain the **Financial Information** in the manner attached at **Appendix III**.

Each SOQ shall contain the **Declaration** in the form attached at **Appendix IV**.
5. Evaluation Criteria

The evaluation shall be conducted according to the following criteria:

5.1. Organisational and Legal Evaluation Criteria

- Confidentiality Agreement
  Provision of Appendix I (Confidentiality Agreement) by each Applicant signed by duly authorised representative if applicable supported by a power of attorney (including each entity forming part of an Arrangement).

- Submission Letter
  Provision of Appendix II (Submission Letter) by each Applicant signed by duly authorised representative if applicable supported by a power of attorney (including each entity forming part of an Arrangement).

- Declaration
  Provision of Appendix IV (Declaration) by each Applicant signed by duly authorised representative if applicable supported by a power of attorney (including each entity forming part of an Arrangement).

Failure to comply with any of these requirements outlined will mean that an Applicant is ineligible to pre-qualify.

5.2. Technical Evaluation Criteria

5.2.1. Technical Capability and Expertise

- Satisfactory experience in the execution of wastewater treatment projects and sanitary networks of a broadly similar nature to the Project;
- Satisfactory experience in the execution of comparable industrial projects; and
- Technical capability and experience of any contractor or subcontractor proposed for the Project.

5.2.2. Expertise of Available Staff

- Number of qualified professional staff available and designated for the Project;
- Profession, specialisation and experience of the current technical, professional and managerial staff available for the Project; and
- Number of similar projects in which the available / designated staff have participated during the last ten years.

5.3. Commercial and Financial Evaluation Criteria

- Financial Information
  Provision of Appendix III (Financial Information) by each Applicant (including each entity forming part of an Arrangement).
5.3.1. Limited Recourse Projects

Financial and commercial experience and capabilities in relation to:

- Non- or limited recourse financings of STPs and sanitary networks; and
- Non- or limited recourse financings of large-scale industrial / infrastructure projects (e.g. IPPs / IWPPs)

5.3.2. Credit Standing

Overall financial and credit status of the Applicant.

5.4. Subsequent Bid Process

5.4.1. Request for Proposals

Following the Authority’s selection of pre-qualified Applicants, an RFP will be issued to such pre-qualified Applicants. The RFP shall include, inter alia, the following information:

- Instructions to Bidders;
- Technical Specifications;
- Technical Drawings & Documents;
- Draft Project Agreements;
- Technical and Financial Form Sheets;
- Form of Letter of Conveyance;
- Form of Bid Bond; and
- Preliminary Information Memorandum.

Pre-qualified Applicants submitting a response to the RFP (the “Bidder(s)”) will be required to submit, inter alia, the following as part of their bid:

- A description of the ownership structure for the Project Company proposed by the Bidders (which must take due account of the draft SHA to be included in the RFP);
- Copies of documents establishing a joint venture / partnership among the members of a pre-qualified Arrangement;
- Proposed wastewater treatment tariff, together with other relevant technical and financial information (through completing the required RFP form sheets);
- Confirmation that Bidders accept the form of the draft Project Agreements; and
- Supporting financial information (e.g. intended terms and conditions and support letters from Finance Parties representing a minimum amount of USD [TBD] million of debt finance).

Within the Instructions to Bidders section of the RFP, the Authority will outline in detail the documentation required to be submitted by Bidders. The Authority reserves the absolute right to reject any or all bids or submissions in response to the RFP or modify, annul or cancel the bidding process and notes that Bidders will be responsible for costs incurred in preparing their bids.
5.4.2. Pre-Bid Conference

Following the issue of the RFP, representatives of the pre-qualified Applicants will be invited to:

- Meet with the Authority and its Advisers; and
- Discuss the condition and status of the site with the Authority and its Advisers.

5.4.3. Bonding Requirements

At the prequalification stage, no security or guarantees are required.

Bidders should be made aware that, upon submission of bids in response to the RFP, each Bidder will be required to submit a Bid Bond, in an amount of BHD 5,000 or for such other amount as may be fixed by the Tender Board. The Authority will be permitted to call upon the Bid Bond in the event that:

- The Bidder withdraws its bid during the validity period specified in the RFP;
- The Bidder does not comply with the terms of the RFP at any time;
- The Successful Bidder either fails to negotiate the STA or fails to execute the STA as negotiated with the Authority; or
- The Successful Bidder fails to supply the performance security (to be specified under the STA).

Any tender security, advance payment guarantee and performance security should be issued by financial institutions or other legal entities which are legally authorised to do so and which are approved by the Authority.

5.4.4. Bid Evaluation Criteria

The bid evaluation criteria will be given, in detail, as part of the RFP. However it is expected that the major evaluation criteria will be the overall levelized cost of wastewater treatment, together with the Bidder’s overall ability to execute the Project.
APPENDIX I - Confidentiality Agreement

The Assistant Undersecretary
Ministry of Works Bahrain
P.O Box 5,
Manama, Kingdom of Bahrain
Tel +973 17 875300
Fax +973 17 877622
website: www.mwh.gov.bh

[DATE]

Re: Request for Qualification dated [DATE] ("RFQ")

Dear Sirs

We are considering bidding for the right to design, finance, construct, own, commission, test, operate and maintain the Muharraq STP (the "Project"), as further described in the RFQ. In consideration of you agreeing to make available to us certain information, by our signature of this letter we agree as follows (acknowledged and agreed by you by your signature of a copy of this letter):

Definitions

In this letter:

"Confidential Information" means any information relating to you or the Project provided to us by you or any of our affiliates or advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that (a) is or becomes public knowledge other than as a direct or indirect result of any breach of this letter or (b) is known by us before the date the information is disclosed to us by you or any of your affiliates or advisers or is lawfully obtained by us thereafter and which, as far as we are aware, has not been obtained in violation of, and is not otherwise subject to, any obligation of confidentiality; and

"Permitted Purpose" means considering and evaluating whether to submit a Statement of Qualification and response to any subsequent Request for Proposal in respect of the Project.

1. Confidentiality Undertaking

We undertake (a) to keep the Confidential Information confidential and not to disclose it to anyone except as provided for by paragraph 2 below and to ensure that the Confidential Information is protected with security measures and a degree of care that would apply to our own confidential information, (b) to use the Confidential Information only for the Permitted Purpose, and (c) to use all reasonable endeavours to ensure that any person to whom we pass any Confidential Information (unless disclosed under paragraph 2(d) below) acknowledges and complies with the provisions of this letter as if that person were also a party to it.
2. **Permitted Disclosure**

You agree that we may disclose Confidential Information:

   a) with your prior written consent;
   
   b) to our employees, professional advisors and authorised representatives to the extent that disclosure is necessary for the Permitted Purpose;
   
   c) to any person whom we may (i) form a consortium with, or (ii) contract with, in each case in relation to and to the extent necessary for the Permitted Purpose; and
   
   d) (i) where requested or required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body, (ii) where required by the rules of any stock exchange on which our shares or other securities are listed, or (iii) where required by the laws or regulations of any country with jurisdiction over the affairs of our company,

provided that, (i) in the case of any disclosure under paragraph 2(b), the relevant third party has read and understood this letter and we ensure such third party complies with the terms of this letter as if such third party were a signatory to this letter and (ii) in the case of any disclosure under paragraph 2(c), such person shall have first delivered a letter to us in equivalent form to this letter.

3. **Notification of Required or Unauthorised Disclosure**

We agree (to the extent permitted by law) to inform you of the full circumstances of any disclosure under paragraphs 2(c) or (d) or upon becoming aware that Confidential Information has been disclosed in breach of this letter.

4. **Return of Copies**

If you so request in writing, we shall return all Confidential Information supplied by you to us and destroy or permanently erase all copies of Confidential Information made by us and use all reasonable endeavours to ensure that anyone to whom we have supplied any Confidential Information destroys or permanently erases such Confidential Information and any copies made by them, in each case save to the extent that we or the recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body, or where the Confidential Information has been disclosed under paragraph 2(d) above.

5. **Continuing Obligations**

The obligations in this letter are continuing and, in particular, shall survive the termination of any discussions or negotiations between you and us. Notwithstanding the previous sentence, the obligations in this letter shall cease (a) if we become a party to the sewage treatment agreement in respect of the Project or (b) twelve months after we have returned all Confidential Information supplied to us by you and destroyed or permanently erased all copies of Confidential Information made by us (other than any such Confidential Information or copies which have been disclosed under paragraph 2 above or which, pursuant to paragraph 4 above, are not required to be returned or destroyed).
6. No Representation; Consequences of Breach, etc

We acknowledge and agree that:

- neither you nor any of your officers, employees or advisers (each a "Relevant Person")
  (i) make any representation or warranty, express or implied, as to, or assume any
  responsibility for, the accuracy, reliability or completeness of any of the Confidential
  Information or any other information supplied by you or the assumptions on which it is
  based or (ii) shall be under any obligation to update or correct any inaccuracy in the
  Confidential Information or any other information supplied by you or be otherwise
  liable to us or any other person in respect to the Confidential Information or any such
  information;

- you may be irreparably harmed by the breach of the terms hereof and damages may not
  be an adequate remedy; each Relevant Person may be granted an injunction or specific
  performance for any threatened or actual breach of the provisions of this letter by us;
  and

- we will (in addition to, and without affecting, any other rights or remedies you may
  have) indemnify and keep you indemnified and hold you harmless from and against all
  actions, claims, demands, liabilities, damages, costs, losses or expenses (including legal
  and other professional costs and expenses) resulting from any breach or non-
  performance by us, or any person to whom we has disclosed or given access to any part
  of the Confidential Information, of any of the provisions under this letter.

7. No Waiver; Amendments, etc

This letter sets out the full extent of our obligations of confidentiality owed to you in relation to
the information the subject of this letter. No failure or delay in exercising any right, power or
privilege hereunder will operate as a waiver thereof nor will any single or partial exercise of
any right, power or privilege preclude any further exercise thereof or the exercise of any other
right, power or privileges hereunder. The terms of this letter and our obligations hereunder
may only be amended or modified by written agreement between us.

8. Inside Information

We acknowledge that some or all of the Confidential Information is or may be price-sensitive
information and that the use of such information may be regulated or prohibited by applicable
legislation relating to insider dealing and we undertake not to use any Confidential Information
for any unlawful purpose.

9. Third Party Rights

Subject to this paragraph 9 (Third Party Rights) and to paragraph 6 ("No Representation;
Consequences of Breach, etc") a person who is not a party to this letter has no right under the
Contracts (Rights of Third Parties) Act 1999 (the "Third Parties Act") to enforce or to enjoy the
benefit of any term of this letter.

The Relevant Persons may enjoy the benefit of the terms of paragraph 6 subject to and in
accordance with this paragraph 9 and the provisions of the Third Parties Act.

The parties to this letter do not require the consent of the Relevant Persons to rescind or vary
this letter at any time.
10. Governing Law and Jurisdiction

This letter (including the agreement constituted by your acknowledgement of its terms) is governed by English Law.

Any dispute arising out of or in connection with this letter, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this clause.

The number of arbitrators shall be three.

The seat, or legal place, of arbitration shall be London.

The arbitration proceedings shall be located in Bahrain.

The language to be used in the arbitral proceedings shall be English.

Please acknowledge your agreement to the above by signing and returning the enclosed copy.

Yours faithfully

...........................................
For and on behalf of
[Applicant]

We acknowledge and agree to the above:

...........................................
For and on behalf of:
The MoW
APPENDIX II - Submission Letter

[LETTERHEAD OF APPLICANT]

Director of Privatisation and Outsourcing:
Ministry of Finance Bahrain
8th Floor, Room# 814, Building No-100
Road 1702, Diplomatic Area 317
Kingdom of Bahrain

[DATE]

We, the undersigned:

Last Name: [Candidate Name]
First Name: [Candidate Name]
Title: [Chairman/Vice Chairman/President/Vice President]

of [name of company], acting as the duly authorised representative of [Applicant] pursuant to the power[s] of attorney attached hereto as Appendix A, hereby certify, represent, warrant and agree, on behalf of [Applicant] that:

This Letter of Submission is provided pursuant to the Request for Qualification dated issued by the Ministry of Works, the Ministry of Finance and the EDB (the "Authority") for the Muharraq STP (as amended, modified, supplemented or varied from time to time), (the "RFQ"). All capitalised terms used herein but not otherwise defined shall have the meanings given to them in the RFQ.

We certify that the information submitted by us as part of our Statement of Qualification ("SOQ") is complete and accurate in all respects and does not omit any information which might make the information contained in the SOQ misleading in any material respect.

We understand that the Authority and/or its advisors may require additional information, or confirmation of information contained in the SOQ, and authorise, and agree to provide assistance to, the Authority and/or its advisors to undertake further investigations as the Authority deems necessary.

We understand the evaluation criteria established by the Authority in Section 4/5 of the RFQ and acknowledge that the Authority is not obliged to accept that our SOQ meets the evaluation criteria and may at any time reject our SOQ at its sole discretion.

Signature: _____________________________

Attachments: Appendix A - Power(s) of Attorney

Appendix B - Confidentiality Agreement

1 - If the Applicant is part of an Arrangement, each member of the Arrangement shall be listed. If the Applicant is part of an Arrangement, a power of attorney from each member of the Arrangement is required.

2 - Confidentiality Agreement (or copy thereof, if previously submitted to the Authority), duly signed by the Applicant, to be attached (and if the Applicant is an Arrangement, a Confidentiality Agreement for each member of the Arrangement).
APPENDIX III - Financial Information

As required by Section 4.4 of the RFQ, the Applicant must complete the below table in respect of its Financial Years 2005-2007 in respect of itself and its parent company / holding company (if applicable). The currency used in the table is at the discretion of the Applicant but must be used consistently in each year.

(i) Financial Information

<table>
<thead>
<tr>
<th>[Company/Entity Name]</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover (including JVs &amp; Associates)</td>
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<tr>
<td>Turnover (excluding JVs &amp; Associates)</td>
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<tr>
<td>Operating Profit (including JVs &amp; Associates)</td>
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<tr>
<td>Operating Profit (excluding JVs &amp; Associates)</td>
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<tr>
<td>Net Interest Expense</td>
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<tr>
<td>Profit before tax</td>
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<tr>
<td>Net Income</td>
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<tr>
<td>Segmental analysis (for divisions &gt;10% of turnover and operating profit, either by geographical location or product line)</td>
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<tr>
<td>Turnover (including share of JVs / Associates)</td>
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<tr>
<td>A</td>
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<tr>
<td>B etc.</td>
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<tr>
<td>Total</td>
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<tr>
<td>Operating Profit (including share of JVs / Associates)</td>
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<td>A</td>
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<tr>
<td>B etc.</td>
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<tr>
<td>Total</td>
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<td></td>
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<tr>
<td>Total Assets</td>
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<td>Cash and Short Term Investments</td>
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<td>Short Term Debt (&lt; 1 Year Maturity)</td>
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<tr>
<td>Long Term Debt (&gt; 1 Year Maturity)</td>
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<td>Minority Interests</td>
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<tr>
<td>Net Assets / Shareholders Funds</td>
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<tr>
<td>Long Term Unsecured Credit Rating (S&amp;P)</td>
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<td>Long Term Unsecured Credit Rating (Moody’s)</td>
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<td>Long Term Unsecured Credit Rating (Fitch)</td>
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<tr>
<td>Long Term Unsecured Credit Rating (Other)</td>
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</tbody>
</table>

(ii) Company Auditor:

(iii) GAAP used to present above figures (e.g. US, Bahraini):
APPENDIX IV - Declaration

[ Letterhead of the Applicant, or lead partner of a joint venture, including full postal address, telephone no., fax no., and cable address ]

Date:………………..

The Assistant Undersecretary
Ministry of Works Bahrain
P.O Box 5,
Manama, Kingdom of Bahrain
Tel +973 17 875300
Fax +973 17 877622
website: www.mwh.gov.bh

Dear Sirs,

We herewith declare that our [ Company/JV ] neither in the present nor in the past have:

(a) been bankrupt or been wound up, had our affairs administered by the Court, entered into an arrangement with creditors or suspended business activities;

(b) been the subject of proceedings for a declaration of bankruptcy, for an order for compulsory winding up or administration by the Court for an arrangement with creditors;

(c) been convicted of an offence concerning its professional misconduct in the course of our business or profession;

(d) committed an act of professional misconduct in the course of our business or profession;

(e) not fulfilled our obligations relating to the payment of social security contributions in accordance with the laws of the country in which we are established or of the Kingdom of Bahrain;

(f) not fulfilled our obligations relating to the payment of taxes in accordance with the laws of the country in which we are established or of the Kingdom of Bahrain; and

(g) violated the labour laws of Bahrain and/or the GCC states.

The undersigned declare that the statement made is complete, true, and correct in every detail.