SUBJECT OF THE TENDER:

SANGAN PELLETIZING PLANT

KAVEH PARS Mining Industries Development Company (KMID)

1. OBJECTIVE

This document has been provided for identification and assessment of contractor for the establishment a pelletizing plant with proven technology (GRATE-KILN or STRAIGHT GRATE) with nominal capacity of 5,000,000 ton per year of iron pellet, with all associated infrastructure and necessary services for production of 5,000,000 ton per year iron ore Pellet in SANGAN iron ore mine, located in the province of KHORASAN RAZAVI, 360 Kilometer from MASHAD in the Islamic Republic of IRAN (hereinafter referred to as Site) - in form of EPC + F - for use as feed material of direct reduction plant.

2. Tender holder organization: South Kaveh Steel Co. (SKS)
3. Consultant of Tender holder organization: Fanavaran Somic engineering and management Co.
4. Technical specifications: Project for construction of a pelletizing plant by proven technology with a capacity of 5 million tons of pellets per year or over than, including:

01- Raw Materials Handling
02- Raw Materials Grinding
03- Materials Preparing & Balling
04- Induration
05- Process Gas System
06- Waste Materials Reclaiming
07- Product Handling
08- Plant De-dusting System
09- Water System
10- Media System
11- Electrical System
12- Maintenance Shop and Warehouse
13- Automation Control and Instrumentation
14- Communication System
15- Laboratory
16- Technical, Operation & Maintenance Assistance
17- All other required facilities.

5. Therefore, South Kaveh Steel Co. (SKS) intends for Selecting a contractor for Engineering, supply of all EQUIPMENT and MATERIALS, Construction, Commissioning, Start-up,
Performance Test and Training (EPC+F) from all Iranian and foreign companies or in the form of participation consortium, co-operation, joint-venture that have ability, know-how technology for associated infrastructure and necessary services for production of 5,000,000 ton per year iron Pellet with using the latest available technology have to be invited.

6. SKS is willing to receive, a financing arrangement for a long term credit facilities to finance the WORKS such that the first installment shall become due at least six (6) months after PROVISIONAL ACCEPTANCE of the PLANT.

7. BIDDERS, who are interested to visit the SITE and review other background information, shall arrange this with South Kaveh Steel Company (SKS) sufficiently in advance of such visits at his own cost.

8. BIDDERS, consideration of the policy of the Government of the ISLAMIC REPUBLIC OF IRAN and the importance given to the extent of Manufacture of the EQUIPMENT and MATERIALS in IRAN (LOCAL SUPPLY), the BIDDER shall meet the following requirements:

In this respect eligible companies and cooperate groups can from the second time of advertising date within two weeks to submit the memorandum cooperation and responsibility matrix and other documentation requested acting freely.

9. This includes:

9.1. Relevant Experience
Information required must include a list of relevant projects undertaken and for each project provide:
- Description and relevance to the tendered project
- Role of the tenderer
- Project cost
- Duration of project
- Experience of construction and operation of pelletizing plants
- Confirmed list of repairs, defects & used spare parts in first 3 years in relevant projects
- Confirmed monthly production reports until meet the nominal capacity

9.2. Past Performance
The information required for Past Performance must include the following information on each project:
• Project name
• Client’s project manager (name and phone/fax numbers)
• Quality standards, target performance levels
• Tender price, variations and final cost
• Completion date and extensions of time granted
• Details of OHS&R records

9.3. Technical Skills

The competence of key management, professional and technical personnel that the tenderer proposes to employ on the project needs to be assessed with particular emphasis on the skills and experience in technical areas comparable to the project.

The information required could include the following details of the proposed project team:
• Names;
• Function;
• Technical expertise and CVs to be provided.

9.4. Project Management Systems & skills

The information required for management Skills and Systems could include the following:
• Quality management system including Quality Plan of relevant project
• Project management systems & tools based on latest Standards e.g. PMBOK
• Program software
• OHS&R management system & Environmental management system including HSE Plan of relevant project

9.5. Resources

The equipment, including facilities and intellectual property, which the tenderer proposes to use on the project, the information required could include the following:
• Specialist equipment
• Labor, by trade skills
• Facilities

9.6. Methodology

The information required for methodology could include the following:
• Program of works
• Key performance indicators
• Division of works into subcontracts
• Innovative procedures to be used
• Reporting and recording systems
• Quality Plan
Note 1: The period of project 36 months including Provisional Acceptance certificate date
Note 2: Closing date is set at 15 days after second step request of tender
Note 3: All documents in sealed envelopes and must be signed by an authorized bidder

Place of delivery of documents:
South Kaveh Steel Company (SKS)

Address: Secretariat SKS, No. 12, Alavi Bldg., Golabi St., Karimkhan Ave., Tehran, Iran
Tel: +98 21 88931452~3 (Tehran)