

Notice of Invitation for Early Market Engagement

Early Market Engagement is a common business term used to describe organized interactions between an employer and prospective contractors, outside of the actual bidding process. In World Bank financed projects, it relates to the Borrower's approach for discussing their requirements with contractors in each market and encouraging their participation, before bidding documents have been published and a formal process commences.

Title: Early Market Engagement for Yarmag new road under USUTP Project
Sector: Transport
Country: Mongolia
Client: The Governor's Office of the Capital City ("the Employer")
Project Name: Ulaanbaatar Sustainable Urban Transport Project (USUTP)
Email: tsolmon@usut.mn , procurement@usut.mn

The Governor's Office of the Capital City invites you to participate in an **Early Market Engagement (EME)** session for our upcoming procurement package **Construction of Yarmag New Road** financed by World Bank under **Ulaanbaatar Sustainable Urban Transport Project**. This session is designed to collaborate and gather your valuable insight, input and feedback for best outcome of the bidding process as we are now developing our procurement approach and bidding documents.

The Ulaanbaatar Sustainable Urban Transport Project (hereinafter referred to as the Project) aims to reduce congestion, improve road safety, and address climate resilience on selected corridors. To achieve these goals, a key component of the USUTP involves Corridor upgradation/New Construction in selected locations of the project area. This will mainly comprise new construction of road corridors to improve network connectivity and to provide accessibility to residents in ger areas.

1. Objectives of the Early Market Engagement

- ❖ To enhance the diversity of the market and encourage potential contractors to participate in the procurement process.
- ❖ Assess overall market experience, capacity, and willingness to participate either individual or as joint ventures especially with national firms.
- ❖ To improve the works requirement, technical specifications, contract terms, risk allocation, bill of quantities model, bid evaluation approach/rated criteria weightings.
- ❖ Receive feedback on the proposed procurement approach including evaluation criteria and qualification requirements.

2. Planned Procurement

Applicable Procurement Method:	Open International Competitive approach using Request for Bids (RFB) as specified in the World Bank's "Procurement Regulations for IPF Borrowers-Procurement in Investment Projects Financing".
Standard Procurement Document:	Request for Bids Works (Two-envelope with Rated Criteria) September 2025.
The Conditions of Contract:	"Conditions of Contract for Construction for Building and Engineering Works Designed by the Employer ("Red book") Second edition 2017, reprinted 2022 with amendments" published by the Federation Internationale Des Ingenieurs – Conseils (FIDIC) and the following "Particular Conditions" which comprise of the World Bank's COPA

The **Key Features of the Proposed Package** along with respective estimated cost are listed below. ***The information provided is only indicative and are subject to change.***

Bidding Features		
1	General Construction Experience	Experience under construction contracts in the role of prime contractor, JV member, Subcontractor, or management contractor for at least the last 5 years
2	Specific Construction & Contract Management Experience	A minimum number of 1 similar contract with a minimum value US\$10.5 million of completed as a prime contractor, joint venture member, management contractor or Subcontractor contracts within the last 5 years . Similarity of the contracts will be based on the following: ✓ <i>Urban Road construction >4 km</i> ✓ <i>Drainage structure >2 km</i> ✓ <i>Asphalt Pavement: 50,000 sq.m</i> ✓ <i>Concrete Structure: 300 cu.m</i>
3	Average Annual Construction Turnover	Minimum average annual construction turnover of US\$ 10.5 million (All JV members combined) completed within the last 3 years
4	Financial Capabilities	The Bidder shall demonstrate that it has access to, or has available, liquid assets, unencumbered real assets, lines of credit, and other financial means (independent of any contractual advance payment) sufficient to meet the construction cash flow requirements estimated as US\$ 2.6 million .
Work Features		
5	Road Length and Pavement Structure	~8.4 km. ; 2 layers of total 100mm Asphalt concrete layer; Granular Base (Crushed Stone Base) 200mm; Granular Sub-base 500mm (CBR >15%, non-frost susceptible).
6	Drainage Facility	Construction of 3 Minor Bridges (RCC BOX TYPE), Construction of 7 Culverts (RCC Pipe Culverts) & Construction of 7 Box Culverts.
Contractual Features		
7	Project duration	The Construction period is 20 Months and to be commenced by April 2026. The Defect Liability Period shall be 1095 days (three year) according to Mongolian law.
8	Project Cost	The estimated cost is USD 20,750,000 . Bid price shall include Contingencies, all direct and indirect taxes, VAT, Custom duties, ESMP Cost, Utility Relocation Cost and other /Design author's Supervisions Cost, Norm normative fund according to Mongolian law/.
9	Joint Venture	Maximum number of members in the JV will be: three (3)
10	Subcontracting	Contractor's proposed subcontracting: Maximum percentage of subcontracting permitted is up to 50 % of the total contract amount .

3. Timeline for Procurement Process

Activity	Timeline
Estimated date of publication for Bid Invitation on Employer &WB website	November 2025
Deadline for bid submission	Minimum of 30 business days after publication
Intended Contract Award	The first quarter of 2026
Works Commencement Date	The second quarter of 2026

KEY QUESTIONS ON WHICH YOUR INPUT ARE REQUIRED

1. The Client has not made a final decision on whether to seek a single Contract or separate Contracts for 2 lots. There are two options and you may offer options on this:

- Single Contract (Entire Civil Works of Yarmag New Road Design under One Contract)
- Separate Contract (Civil Works of Yarmag New Road Design to be done under two separate Contracts **Lot 1:** Km.-0+395 to 0+000 & 0+000 to Km.2+3000 (Naadamchid Street

Intersection to Nukht Road Junction) and **Lot 2:** Km.2+300 to Km.7+960 (Nukht Road Junction to Chingis Khuree Interchange))

2. Market Feedback:

(a) If your Company prefers separate Contracts on the above option, will your company bid for both lots or only single lot.

(b) If you propose a different option from this listed above, please provide details.

3. Do you have any comments or feedback on Planned Procurement (specifically, on **Key Features of the Proposed Package)?**

4. Do you have any additional comment or feedback?

Kindly provide the name and contact details to reach out to for any follow-up regarding your feedbacks. The information you send will help in the Design of the Procurement Process. **However, please note that it will not result in any special or different treatment in the later Procurement Process.**

A technical discussion will be held on **Thursday, November 6, 2025, at 15:00**, to present the requirements and procurement approach, as well as to conduct a market engagement. You may participate online via the link below or in person at the address provided below. In-person attendance will be registered on a first-come, first-served basis. Therefore, interested companies are kindly requested to register in advance by sending an email to procurement@usut.mn

• Teams link: <https://teams.microsoft.com/meet/4150176482660?p=Det5bMpi0DqZoCn4NT>

Meeting ID: 415 017 648 266 0

Passcode: BX74AJ2e

• Location: #603, 6th floor, Unisteel center, Dund gol street 19/2, Bayangol district, Ulaanbaatar, Mongolia