

Open Meeting regarding the qualification bids for the PPP project on biometric passport and national ID card issuance services

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| Date | 17 January 2024 | Time | 17:00 - 18:30 (GMT+4) |
| Purpose | Conference on the PPP project on biometric passport and national ID card issuance services | Version | 1.00 |

Agenda

| No. | Agenda items |
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| 1. | Welcome word (Armen Ghazaryan, Head of the Migration and Citizenship Service at Ministry of Interior) |
| 2. | Brief introduction of the Project scope and relevant documents, overview of the estimated schedule, qualification bids submission guidelines, and the procedure for inquiries (Lina Petruskeviciute, Director at EY) |
| 3. | Questions and answers session |
| 4. | Concluding word (Armen Ghazaryan, Head of the Migration and Citizenship Service at Ministry of Interior) |

Questions and answers:

| # | Question | Answer |
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| Request for Qualification | | |
| 1. | RFQ Annex 5, Qualification criteria, Section 1. Financial Criterion: Is it necessary to fulfill all three conditions on the availability of Capital, cash flow and evidence of the availability of sources of financing for the project in the specified amounts? | The Candidate must demonstrate conformity with the financial criterion No 1.1 (Financial Soundness) and at least one of the financial criteria Nos. 1.2-1.4 listed below: <ul style="list-style-type: none"> - Financial Criterion No.1.2 – Equity - Financial Criterion No.1.3 – Free Cash Flow - Financial Criterion No.1.4 – Evidence of Available Sources of Financing Please see the "ANNEX 5. QUALIFICATION CRITERIA", clause No. 1. |
| 2. | If possible (and if not too early), let's have some words about the products themselves as well. | More detailed information on identity documents is provided in the Request for Qualification package and draft Technical Requirements that specify the necessary and minimum expected technical requirements for these documents, the infrastructure that is expected for the scope of delivery, etc. |
| 3. | RFQ Clause 2.3.8: We understand that in case the Candidate intends to answer the RFQ in the form of a Special Purpose Vehicle (SPV), the Candidate may provide a formal undertaking indicating that the members of the Consortium intend to create a Special Purpose Vehicle to perform the Project, should the Consortium be awarded the Project; | Your understanding is not quite correct, you are confusing the SPV with the "Project Company". The Special Purpose Vehicle under the RFQ (Clauses 2.3.1 and 2.3.2) is one of the forms in which a Consortium may participate in the Selection Procedure. The SPV is essentially an incorporated Consortium (i.e., a legal entity specifically established by the Consortium Members to submit the Qualification Bid and take part in the Selection Procedure). |

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| | <p>such SPV being established at the time of execution of the Agreement. Would you please confirm our understanding?</p> | <p>If the participants select to respond to the RFQ through SPV (which again, for the sake of clarity, is merely an option), then it should be incorporated (in Armenia or foreign jurisdiction) at the moment of submission of the Qualification Bid. Please refer to Clauses 2.1.2 and 2.4 of the RFQ for more background details on the SPV in this respect. The SPV should provide all documents as part of its Qualification Bid which are required from a Consortium under the RFQ (please see Annex 6 of the RFQ for more details).</p> <p>The Project Company, on the other hand, (please see Clause 2.4) essentially means the future Private Partner, i.e., the Armenia-based legal entity that will implement the Project under the PPP contract. The Project Company will need to be created by the winner of the Selection Procedure (an Applicant that successfully passed the qualification at the RFQ stage and provided the best bid at the RFP stage), after the tender award but prior to conclusion of the PPP contract.</p> <p>Unlike incorporation of an SPV (which is one of the ways of participating in the tender), establishment of the Project Company is a mandatory requirement for any winning Applicant of the Selection Procedure (whether single-entity or Consortium). The only specific exception in this respect is contained in Clause 2.3.9 of the RFQ, which would allow not to create a Project Company for a winning SPV in case such SPV had already been registered as the Armenia-based company and won the Selection Procedure. Even in this case, however, the winning SPV may still choose to establish a separate Project Company, which should be 100%-owned by this SPV, as per requirements of Clause 2.3.9 of the RFQ.</p> <p>At the same time none of the abovementioned precludes the participants from applying through an unincorporated consortium, in which case the Project Company will be established in case such consortium is declared the winner of the tender. In case of applying through a consortium, the members of the consortium should submit a consortium agreement, where they will specify the proportion of shareholding of each participant in the future Project Company (which will be created should the consortium be declared the winner of the tender), and such proportion cannot be changed at the time of signing the PPP agreement.</p> |
| 4. | <p>RFQ Notice: The GoA allows an electronic submission of the answer for RFQ on Armepps.am website. In case the candidate decides to submit the answer via ARMEPS website, will the answer with all the documents be visible for other participants or they will remain confidential – only available for the GoA officials working on this project?</p> | <p>(i) up until the Qualification Bids Submission Deadline, the Qualification Bid submitted via ARMEPS will not be available to any persons other than the representatives of the Applicant that submitted (downloaded) such Qualification Bid (incl. other Applicants and members of the Evaluation Commission);</p> <p>(ii) after expiry of the Qualification Bids Submission Deadline, the Qualification Bid submitted via ARMEPS will be opened and reviewed by the Evaluation Commission and it's advisors in accordance with the</p> |

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| | | requirements of the RFQ (incl. as provided in Clauses 4.4 and 6.2 of the RFQ), without disclosure of such Qualification Bid to any other Applicants. |
| 5. | <p>RFQ Annex 5, Qualification criteria, Section 1. Financial Criterion: n°1.1, 1.2, 1.3, 1.4:</p> <p>The RFQ has been launched in 2024. The audited accounts for 2023 will not be officially available for the submission of the answer to RFQ in March. Would you please confirm that you will be accepting the audited accounts 2022 to demonstrate candidate compliance?</p> | <p>The provision of the Candidate's audited financial statements for the last confirmed three (3) financial years is required, among other things, to evidence conformity with the Financial and Economic Capacity Criteria Nos. 1.1-1.3 in accordance with paragraph 2.1 of the section 2 of Annex 6 of the RFQ. The RFQ further clarifies that "the last confirmed financial year shall refer to the last financial year or next to last financial year (if the audit results for the last financial year are not yet available) confirmed with the audit report". Based on this, if the Candidate's audited financial statements for 2023 (as one of the last confirmed three (3) financial years) are not yet available at the time of submission of the Qualification Bid, the Candidate may provide the audited financial statements for 2022 (as next to last financial year), 2021 and 2020 for the purposes of evidencing conformity with the Financial Criteria Nos. 1.1-1.3.</p> <p>Please refer to paragraph 2.1 of section 2 of Annex 6 of the RFQ for more detailed confirmation requirements for evidencing conformity with the Financial and Economic Capacity Criteria.</p> |
| 6. | <p>Just to clarify whether the national passports and ID's printing and relevant concurrent services rendering is going to take place only in-country (in Armenia) or overseas as well - in the countries where the Consulates of Armenia are based?</p> | <p>Managed services will be provided in Armenia, whilst a set up of enrolment equipment will also be required in the foreign missions. Personalization of documents will only take place in Armenia and not the foreign missions.</p> |
| 7. | <p>The projections presented in the Technical Requirements are for a 10-year period, and in the presentation the projected quantities are for a 9-year operational phase. Which timeframe is correct?</p> | <p>Technical requirements and the Request for Qualification documents are correct.</p> <p>The contract will be signed for 11 years, operational phase is foreseen for up to 10 years, subject 1 year is sufficient for transition period and implementation phase.</p> <p>If the Private Partner requires more time for transition period (more than three months for the transfer or more than one month for the closure), the GoA is open to accommodating such request to a reasonable extent, but the time will be deducted from the operational phase. Also, if implantation phase takes longer, again, the operational phase will become shorter than 10 years.</p> |
| 8. | <p>Is it possible to submit a Qualification Bid with a non-incorporated Consortium?</p> | <p>Yes, such possibility is enshrined both in the PPP Law, and item 2.1.2. of the RFQ, which specifies that applying through an SPV is an option (prospective Candidates may establish a special purpose company for the purposes of joint participation in the Selection Procedure).</p> |
| 9. | <p>Is it mandatory to found the consortium by Armenian law, or is it sufficient to found it according to German law?</p> | <p>The SPV (if the participants select to apply through it) may be established both in Armenia (i. e. under Armenian law) and foreign jurisdictions (under foreign law). In case the SPV is established in Armenia and wins the tender, it can</p> |

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| | | <p>later choose to skip incorporation of the Project Company (which will be implementing the project) and use the Armenia-based SPV as Project Company (again, this is just an option, and not mandatory). In case the SPV is based in a foreign jurisdiction, a Project Company shall be established in Armenia before signing the PPP agreement if such SPV is declared the winner.</p> <p>For the purposes of participation in the Selection Procedure, non-incorporated Consortia are not "founded" in a sense of establishment of a legal entity – consequently, the rules on the SPV provided in the RFQ do not apply to such Consortia. Such Consortia should still comply with all other ("non-SPV related") requirements to Consortia specified in the RFQ. The key legal document evidencing formation of a non-incorporated Consortium under the RFQ is the consortium agreement.</p> <p>The consortium agreement (which should be provided by any Consortium, both incorporated and non-incorporated, under Annex 6 of the RFQ) may be concluded under any governing law (Armenian law / law of other jurisdiction) chosen by a Consortium, as may be appropriate in each particular case of participation in a Selection Procedure through a Consortium.</p> |
| 10. | <p>It is also stated, that - in any case, after a successful run - the establishment of a Project company is necessary.</p> <p>Is our understanding correct, that in case of an award of a consortium, the (incorporated or non-incorporated) consortium has to found a Project company afterwards?</p> <p>Or: In case a Consortium will be awarded: Is it intended to transfer the award from the consortium to the Project Company?</p> <p>Since a Project Company has its own legal personality, we ask kindly to confirm this.</p> | <p>Please see the answer above. Again, for the avoidance of doubt, in any case an Armenia-based Project Company shall be established by the winning bidder, and such Project Company will be the Private Partner (i.e., sign the PPP agreement). The only exception is that if the winner is an Armenia-based SPV it can (but is not obligated to) skip establishment of a separate Project Company. In that case the SPV will be used as the Project Company and will sign the PPP agreement.</p> |
| Technical Requirements | | |
| 11. | <p>Technical Requirements, Req. 36: How is "secured" transport defined?</p> | <p>Noted, shall be clarified in the final Tech Requirements version.</p> |
| 12. | <p>Technical Requirements, Req. 72: Can the chip also be located in the back cover? This would separate optical from electronic personalization and hence is more secure.</p> | <p>Please refer to draft Tech Requirements published, chip on the title page is optional.</p> |
| 13. | <p>Technical Requirements, Req. 72: Please explain: The title page should include the passport document number pre-personalized through the</p> | <p>Noted, shall be clarified in the final Tech Requirements version.</p> |

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| | data page. What is meant by “through the data page”? | |
| 14. | <p>Technical Requirements, Req. 101: Can the second passport production facility be located at a partner’s site (not in same company)?</p> | <p>Location of document blank production facilities / suppliers is not regulated.</p> |
| 15. | <p>Technical Requirements, Req. 8: ID card and Passport personalization will be carried out in the central personalization facility in Yerevan in the premises provided by the GoA. Service Providers will be invited to visit the site during the tender process.</p> <p>The building will be provided by GoA with:</p> <ul style="list-style-type: none"> • Sufficient space for the installation of equipment and performance of operations • Electric wiring - armor doors • Window bars • Continuous illumination • Alarm system connected to the closest police station. <p>Remark: The degree to which the personalization center can be compliant to the PCI CPP standard is partially depending on the availability and suitability of the space provided by the GoA.</p> | <p>Noted, Private Partner shall not be responsible for gaps that they are not able to influence.</p> |
| 16. | <p>Technical Requirements, Req. 11: Compliance to PCI CPP standard is requested and proven by annual audits from an external accredited company.</p> <p>Question: Who is supposed to bear the costs for the external accredited company performing the audit? The successful bidder or the GoA?</p> | <p>Private Partner shall bear the costs of audits or conformity assessments.</p> |
| 17. | <p>Technical Requirements, Req. 90 & 92: Req. 90 and 92 appear contradictory. In Req. 90 it is stated that the passport number shall be lasered on all inside pages except PC data page, but in requirement 92 it is stated that the passport number shall be lasered on the title page through the data page. Please clarify what shall be done exactly.</p> | <p>Noted, shall be clarified in the final Tech Requirements version.</p> |

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| 18. | <p>Technical Requirements, Req. 99: The hinge solution should not be limited to only one approach/ technology (ends at the upper edge of the data page) but should be open for bidders to propose their approach/ solution for the hinge that creates strong bond and establishes a uniform structure which resists layer separations.</p> | <p>Technical Requirements will be consulted with shortlisted companies, companies may propose their solutions and applicable amendments to requirements.</p> |
| 19. | <p>Technical Requirements, Req. 338: Operational phase of the project must start not later than 18 months from the date of Contract signing date. Full implementation of all requirements (e.g., certification) set out in this document shall not exceed 24 months from the date of Contract signing date Gradual implementation of full obligations set the in Technical Requirements may be acceptable, e.g.:</p> <ol style="list-style-type: none"> 1. ID cards may start to be issued earlier then biometric passports 2. Personalization facility with new IT infrastructure may become operational earlier then full scope redesign of enrolment facilities network 3. Enrolment facilities can be rolled out in the phased approached 4. Conformity assessment to relevant standards (e.g., PCI CPP, ISO 27001) must be completed prior the start of operations, but relevant certification (e.g., eIDAS) may be completed in later stages <p>Final implementation timeline shall be aligned with the Contracting Authority during the initiation phase in accordance with implementation plan proposed in the Technical Proposal of the Service Provider.</p> <p>Remark: For a standard like PCI CPP, a conformity audit can be conducted and a corresponding audit report be provided. However, an official certification according to PCI CPP cannot be issued. To avoid ambiguity or misunderstanding, we suggest to clearly distinguish in the final technical specification for each standard between (real) certification</p> | <p>Noted, shall be clarified in the final Tech Requirements version.</p> |

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| | <p>required and conformity / audit reports to be provided, together with a timeline (deadline for the implementation) for each standard.</p> | |
| 20. | <p>Technical Requirements, Req. 378: Service provider shall provide continued document personalization, incl. but not limited to:</p> <ul style="list-style-type: none"> • Document blank supply and management • Document personalization • Provide production follow up services, incl. quality control, stock management, traceability and tracking of the produced documents • Logistical operations and transport from document blank production location to personalization facility • Logistical operations and transport of personalized documents from personalization facility to enrolment facilities in the territory of Armenia • Note: logistical operations and transport from personalization facility to enrolment facilities outside Armenia will be handled by GoA, but Service Provider is responsible for secure hand over of personalized documents to GoA for further transportation. <p>Personalization operations shall be carried in compliance to ISO 27001, ISO 9001 and PCI CPP standards. Certificate of compliance and applicability issued by the competent body shall be made available upon request.</p> <p>Remark: For a standard like PCI CPP, a conformity audit can be conducted, and a corresponding audit report be provided. However, an official certification according to PCI CPP can't be issued. To avoid ambiguity or misunderstanding, we suggest to clearly distinguish in the final technical specification for each standard between (real) certification required and conformity / audit reports to be provided, together with a timeline (deadline for the implementation) for each standard.</p> | <p>Noted, shall be clarified in the final Tech Requirements version</p> |

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| 21. | There are currently 65 enrollment centers operating in Armenia, but the Req. 1 in the section 2.2.1 of the Technical Requirements states, that once the Private Partner signs the contract, they are required to operate 12 centers. What happens to the remaining 53 enrollment centers? Will they continue to be operational or be closed? | The centers will continue to be a part of the migration and citizenship service of Armenia network in the country, but they will not be providing passport and identification services. |