



## Public Invitation

The business entity Elektroprivreda Crne Gore AD Nikšić (registration number: no. 1001-2772/1, TIN: 02002230, VAT: 20/31-00112-1) is leasing the production capacities of its daughter company EPCG-Željezara Nikšić for the purpose of valorising and preserving the production of steel in a factory with over 65-year long tradition in steel production.

All the companies from Montenegro and abroad which are registered and run business in line with the laws of the State in which they are seated shall be entitled to participate in the Public Invitation.

In selection of the business partner, the advantage shall be given to the companies with tradition and references in the field of forged steel production: carbon, alloyed, tool steel, etc.

Selection of the best bid:

- ✓ shall be carried out via negotiations with interested companies taking part in the Public Invitation.

The right to participation:

- ✓ all the companies that submit applications according to the concerned public invitation to the address of EPCG AD Nikšić, Vuka Karadžića broj 2, in a sealed envelope with indication "Public Invitation for lease of Melt shop and Forging shop" „do not open before official seating of the committee in charge of reviewing and ranking the submitted bids".
- ✓ The applications shall be submitted either directly or to the archive of EPCG AD Nikšić, at the address Vuka Karadžića broj 2, Nikšić, Montenegro, up until January 25, 2024 by 12:00 (noon).
- ✓ Site visit of production capacities, subject of this public invitation, shall be allowed to all companies that applied to the Public Invitation, on business days from 10:00 a.m. to 14:00 p.m.
- ✓ Contact details: [+38269327701](tel:+38269327701), [+382 67 640 730](tel:+38267640730), [tatijana.kilibarda@epcg.com](mailto:tatijana.kilibarda@epcg.com)

The application shall contain:

- ✓ data about the company-partner applying to the public invitation: name, seat, address, TIN, name, last name and position of the responsible person.
- ✓ The applicant shall submit the following, along with the application: the letter of intent, programme and time schedule of activating the subject of the concerned public invitation, proposal of the contract arrangement, as well as all the essential elements which may be subject of negotiations and lease.

Subject of negotiations:

- ✓ The ability for prompt production commencement in the production facilities: Melt Shop and Forge Shop
- ✓ Lease period, not shorter than 5 years
- ✓ The lease amount

The negotiations shall exclusively focus on the subject matter thereof.

Negotiation procedure:

- ✓ EPCG AD Committee will send an invitation to the applicants whose applications have been received, within the time limits specified in this Public invitation, for negotiating, with a clearly defined subject, date, and place of negotiations,
- ✓ Minutes of the content and the progress of the negotiations shall be kept,

- ✓ Multiple rounds of negotiations may be held in order to obtain the best Bid,
- ✓ The most favourable negotiated Bid will be proposed as the first-ranked,
- ✓ The selected Lessee will conclude a lease agreement.

EPCG has the right to suspend the procedure in case it deems that the final Bid does not meet the requirements of EPCG AD Nikšić. Furthermore, EPCG has the right until the conclusion of the Lease Agreement to withdraw from it, where neither applicants nor any legal or natural person will have the right to claim any compensation for damages or costs incurred directly and indirectly as the consequence of participation in this Public Invitation.

When selecting a business partner the advantage shall be given to those companies that base their production agenda on the so-called "green steel" production aiming thereby to gradually shape, year after year, a sustainable future of the production through: gradual investing in new production technologies, upgrade of the existing generation facilities, machinery and auxiliary equipment, use of electricity from renewable sources, recycling of technological waste generated as the generation by-product, gradual decrease of harmful gases emissions and other harmful dry pollutants into the atmosphere, meeting thereby, gradually, the conditions for the introduction of EPD (Environmental Product Declaration) and other certificates representing internationally recognizes eco – declaration.

When selecting a business partner the precedence will be granted to those Companies that submit a 5–year Plan on development of manufacturing facilities i.e. Melt Shop and Forge Shop, focusing thereby on the planned investments (improvement in the existing manufacturing process in technical-technological terms and potential investment in new manufacturing facilities).

The Lessee shall be granted an option to lease manufacturing capacities with the necessary number of employees (by selecting among the existing employees) or to hire new employees.

The lease shall be given on a 5-year period, at least, with an option to extend the Contract validity period.

The lease implies paying a monthly rent, with an option to take over either a part or all employees of EPCG-Željezara Nikšić DOO. The number of taken over employees depends on needs and estimates of bidders and should constitute an integral part of the bid. Minimum lease amount to be paid shall be €30 000.00 per month, but the final lease price depends on a Lessee's Bid per items encompassed by the Public Invitation to Tender. The Lessee shall select employees they are to overtake based on criteria set for the envisaged works.

In the below text you may find a detailed description of manufacturing and ancillary halls, manufacturing plants, machinery, ancillary and other (back-up) infrastructure necessary for unhindered manufacturing and business processes in the Melt Shop and Forge Shop i.e. manufacturing facilities intended for lease.

There are following manufacturing stages in the Melt Shop facility:

- ❖ Scrap mix preparation
- ❖ Melting process in the Electric Arc Furnace and obtaining molten steel
- ❖ Heating and alloying the molten steel in the ladle furnace
- ❖ Molten steel vacuuming in the vacuum degasser
- ❖ Ingots casting

#### **Old scrap yard:**

- Old scrap yard (the place intended for storage, cutting and preparation of the steel scrap known as 'the old scrap yard' in total surface area equal to 388m x 32m =12.416m<sup>2</sup>).
- Crane #C5, capacity whereof is 10t +7t, with a magnet and dragline bucket and other pertaining functional equipment necessary for full functionality of the crane/travelling crane/ lifting the load up and down (mostly steel scrap), loading into buckets, unloading etc.
- Crane #C6, capacity whereof is 10t, with a mechanical grab and other pertaining functional equipment necessary for full functionality of the crane/travelling crane/ lifting the load up and down (mostly steel scrap), loading into buckets, unloading etc.

#### **New scrap yard:**

- New scrap yard (the place intended for storage, cutting and preparation of the steel scrap known as 'the new scrap yard' in total surface area equal to  $322\text{m} \times 32\text{m} = 10.304\text{m}^2$ ).
- Crane #C1, capacity whereof is 15t, with a hydraulic grab and other pertaining functional equipment necessary for full functionality of the crane/travelling crane/ lifting the load up and down (mostly steel scrap), loading into buckets, unloading etc.
- Crane #C2, capacity whereof is 15t, with magnets and other pertaining functional equipment necessary for full functionality of the crane/travelling crane/ lifting the load up and down (mostly steel scrap), loading into buckets, unloading etc.
- Three Huton vehicles, load capacity of each is 80t, for transport of scrap filled buckets from scrap mix preparation to furnace.
- Steel scrap charging buckets weighing 22t, bearing capacity 35 t (5 buckets).

#### **Furnace hall:**

- Furnace hall consists of surfaces at "0" elevation and 5.5 high platform. Surface area of the hall is  $356\text{ m} \times 23.75\text{m} = 8.455\text{ m}^2$
- Crane #P1, capacity whereof is 60t and 20t, with pertaining functional ancillary equipment and means necessary for charging the EAF, lifting the load up and down during the furnace cleansing, technical and refractory maintenance of the furnace etc.
- Crane #P2, capacity whereof is 60t and 20t, with pertaining functional ancillary equipment and means necessary for charging the EAF, lifting the load up and down during the furnace cleansing, technical and refractory maintenance of the furnace etc.
- EAF, capacity whereof is 65t, with an EBT casting system, furnace transformer TES: 35 kV, 52 MVA, 36kV switch gear for the transformer protection, serial reactor, SCADA system, lance manipulator, inert gas system of cleansing, hydraulic unit, ladle trolley and other pertaining functional equipment and means necessary for a full functionality of the system.
- Shotcrete machines with pertaining equipment and means used for shotcreting the refractory lining of the furnace.
- Carburet warehouse for EAF and LF, an area with refractory maintenance equipment, ferroalloys bunker, scales, crane #C10, workshops with pertaining equipment and tools for the needs of electrical, mechanical and crane maintenance.
- Laboratory (a composite part of the functional unit Quality assurance) for testing the chemical composition of chargers/molten steel with a quantimeter ARL iSPARK 8860 and pertaining equipment, fittings, and referent material necessary for sampling and testing the chemical composition.
- Fume treatment Plant (FTP), with pertaining equipment, installations and subsystems necessary to reach the full functionality of the plant.
- Water Treatment Plant, with pertaining equipment, installations and subsystems necessary to reach the full functionality of the plant.

#### **Cast hall:**

- Cast hall: surface area  $318\text{m} \times 23,75\text{m} = 7552.5\text{m}^2$
- Casting crane#L1, lifting capacity whereof is 110t and 35t with pertaining auxiliary hydraulic equipment, systems and means necessary for reaching the full functionality of the crane used for lifting and transport of casting pots with molten steel.
- Casting crane #2, lifting capacity: 110t and 35t with pertaining auxiliary hydraulic equipment, systems and means necessary for reaching the full functionality of the crane used, mainly, for moving and lifting casting pots with molten steel.

- two vertical stations for heating/drying of casting ladles, whereof one station is functional and the other not.
- Two horizontal stations for drying the casting ladles.
- Station for review/control of casting ladles proper operation
- Station for casting ladles shotcreting
- 10 casting ladles/pots, whereof 7 functional
- Huton vehicle and transect wagon between the furnace and the cast hall.
- Ladle furnace LF, ASEA-SKF Sweden, capacity whereof is 60 t, automated production facility with the pertaining heating unit, a transformer of 8 MVA rated power, voltage selector switch of the transformer with 11 positions, current switch with 8 positions, hydraulic unit, SCADA. instrument systems and devices and pertaining equipment and subsystems necessary for full functionality of the unit,
- Unit for dedrossing/removal of dross,
- Dispenser for Ferro-alloys with pertaining bunkers
- MDS 4-8 machine used for adding wired alloys (SiCa, Al, C etc.), cross section whereof is 19 mm, MTAG, Sweden,
- Vacuum chamber, vacuum tank and vacuum lid, vacuum pumps, a train with pertaining equipment and measuring stations and pertaining automation and vacuum unit.
- A set of instrument-control equipment in the premise for steel alloying and the equipment pertaining to the vacuuming system.
- Diesel generator Aksa 410 kVA supplying power to LF, in case of power supply loss.

#### **Mould Hall:**

- Mould hall area: 318m x 25.2m = 8013.6m<sup>2</sup>
- Mould handling crane #K3, with the capacity of 10t, with corresponding auxiliary equipment necessary for the full functionality of the crane.
- Mould handling crane #K4, with the capacity of 10t, with corresponding auxiliary equipment necessary for the full functionality of the crane.
- 21 tracks connecting the foundry hall and mould hall, with 12 tracks in proper working order.
- Auxiliary equipment and tools for the casting of ingots.
- Casting wagons, 19 wagons, with 14 wagons in use.
- Casting plates: (LP4 - 7 plates), (LP6 - 7 plates), (LP8 - 3 plates).
- Moulds: (B28 - 18 moulds), (R33 - 21 moulds), (K6 - 12 moulds), (K8 - 13 moulds), (K10 - 7 moulds).
- Steel hoods for controlled cooling of ingots, lined with refractory bricks, 9 hoods.

#### **Annealing Facility hall:**

- Annealing facility area: 318m x 24m = 7.632m<sup>2</sup>
- Crane #T2, with the capacity of 10t, with corresponding auxiliary equipment necessary for the full functionality of the crane.
- Auxiliary equipment, tools, and accessories in the annealing facility hall.
- The annealing facility hall is a space for storing and preparing casting materials for the needs of operations in the foundry hall and casting hall.

*In the Forging Shop, the processing of ingots involves the following technological procedures:*

- ❖ Pre-heating of the ingots in a rotary pre-heating furnace and, if necessary, in chamber furnaces.
- ❖ Forging of the ingots on a forging press.
- ❖ Cooling of the forgings.
- ❖ Heat treatment of the forgings in heat treatment furnaces.
- ❖ Testing of the mechanical properties of the forgings in the laboratory on samples.
- ❖ Machining of the forgings.
- ❖ Cutting the ends of forgings.
- ❖ Submission of finished goods.

#### **Forging shop Hall:**

- Forging Shop hall area: 265m x 26m = 6.890m<sup>2</sup>
- Pre-heating chamber furnace #1 (7.1 K 11-28.20.30/20-G1), LOI-SAAR, with a charging capacity of 20 tons.
- Pre-heating chamber furnace #2 (7.2 K 11-28.20.30/20-G1), LOI-SAAR, with a charging capacity of 20 tons.
- Pre-heating chamber furnace #3 (7.1 K 11-28.20.30/20-G1), LOI-SAAR, with a charging capacity of 30 tons.
- Rotary heating furnace RHT, SMS Meer, capacity 10tons/h for K6 and K8 size ingots, with the corresponding auxiliary equipment, which should encompass the compressed air compressor, SCADA system, measurement and control equipment, and associated automation necessary for the full functionality of the facility.
- Gas cutting machine (flame cutting) GRO 5 SB, 1200-1235, Gega Lotz-Hofheim Wallau with the corresponding table and auxiliary equipment necessary for the full functionality of the facility.
- Forging press UF 18/25 Mannesmann Demag, with corresponding auxiliary equipment, hydraulic system/unit, rotating table for ingots, forging tools for various diameters of forgings, corresponding installations, compressor, lubrication system, associated automation necessary for the full functionality of the generation plant.
- Forging rail manipulator GSM 80/160 WP, Glama, capacity 8 t, with corresponding auxiliary equipment and tongs, installations, and automation necessary for the full functionality of the manipulator.
- Mobile charging machine GCM 80/180, Glama, with the capacity of 6 tons, with tongs and auxiliary equipment necessary for the full functionality of the mobile machine.
- Ends cutting machine for forgings (band saws), AMADA GMBH - HAAN:
  - Band saw type HA- 250
  - Band saw type HA -400
  - Band saw type HA -400
  - Band saw type HA -500With corresponding tables and auxiliary equipment necessary for the full functionality of the cutting machines.
- Horizontal saw ALF 560-Y, Hesse (2 pcs.), with corresponding tables and auxiliary equipment necessary for the full functionality of the horizontal cutting machines.

- Machine for cutting ends of large diameter forgings, HAMA, with corresponding tables and auxiliary equipment necessary for the full functionality of the cutting machine.
- Machine for piercing of forgings (creating so-called "nests" on the cross-section of the forging).
- Crane Tisan Mekanik, with a capacity of 15 tons, with corresponding equipment for transport, lifting and lowering of forgings.
- Crane #A11/2, with the capacity of 25 tones and 8 tons, with corresponding equipment and clamps necessary for the full functionality of the lattice crane.
- Crane #A12, with a capacity of 5 tons, with corresponding equipment and traverses necessary for the full functionality of the crane.
- Forklift diesel TU-50, Pobeda Novi Sad, with the capacity of 5 tons.
- Furnace#4 with heat-treatment trolley, 7.3 WH-30.16-45/30-G1, LOI SAAR, with a charging capacity of 30 tons.
- Furnace #5 with heat-treatment trolley, 7.4 WH-30.16-60/60-G3, LOI SAAR, with a charging capacity of 50 tons.
- Furnace #6 with heat-treatment trolley, WH30.16.60/50–G3–1150, LOI SAAR, with a charging capacity of 60 tons.
- 2 water quenching tanks, with the volume of 120 m<sup>3</sup>.
- Horizontal lathes, CW61125×8000mm/15t, manufactured by SPARK MACHINE TOOL CO. LTD, Tianshui, China,, for machining of forgings, 4 lathes.
- Senzimir Hall, with the area of 44mx 25m = 1.100 m<sup>2</sup>.
- 4 lathes in Senzimir Hall:
  - DXWK-630, Fritz Heckert - Karl Marx – Stadt (2 lathes)
  - DXW 1000/2, Fritz Heckert - Karl Marx – Stadt (2 lathes)
- Crane in Senzimir Hall for transfer, lifting and lowering of forgings.
- Transect wagon on the route from the Forging shop to Senzimir hall.
- Rotary heating furnace hall, with the area of 150m x 30m =4.500m<sup>2</sup>
- Crane#A9N, with a capacity 25t +5t in the rotary heating furnace hall with the corresponding equipment and remote control management necessary for the full functionality of cranes.
- Crane #A4-3, with a capacity of 8 tons, in the rotary heating furnace hall and remote control management necessary for the full functionality of cranes.
- Crane #A9 is not in operation.
- Combined rolling mill hall, with the areas: (265m x 20m=5.300m<sup>2</sup>, 145m x 13m=1.885m<sup>2</sup>, 130m x 26m = 3.380m<sup>2</sup>).

#### **Quality control:**

- Laboratory for chemical testing within furnace hall in Meltshop for testing of chemical composition of charges/liquid steel with ARL iSPARK 8860 quantometer and pertaining ancillary equipment, accessories and reference materials necessary for sampling and testing of chemical composition.
- SIK plant with pertaining equipment for analysis of mechanical and ductile properties of steel samples and other testing necessary for preparation of appropriate quality certificates.
- Chemical testing of inlet materials in the process of steel production, classical chemical method with application of internal standards.
- Hydraulic machine for tensile testing of materials 10t, LOSENHAUSENWERK.
- Hydraulic machine for tensile testing of materials 60t, LOSENHAUSENWERK.
- Mechanical Charpy pendulum, LOSENHAUSENWERK.
- Electronic Charpy pendulum, automated, connected via interface to PC, LONOS TEST.
- Brinell hardness testing device, GEORG REICHERTER-ESSLINGEN type 300H.
- Furnaces for thermal treatment of samples, Oven Blue.
- Jana Vert 250 CF microscope.

- Reference materials.
- Devices for ultrasound testing of KRAUTKRAMER USM 35xSLEMO.
- Instrument equipment, lamps, manual device for hardness measuring, scale and other small accessories, devices and laboratory equipment necessary for full functionality of laboratories.

#### **Mechanical workshop:**

Use of workshop for mechanical treatment of forgings of smaller cross section and manufacturing of spare parts for the purpose of technical maintenance of production facilities, machines and auxiliary equipment so that the production process could be conducted continuously.

- Lathe #9 for fabrication of shafts and mechanical treatment of forgings.
- Lathe #10 for mechanical treatment of forgings.
- Lathe #11 for mechanical treatment of forgings.
- Lathe #12 for mechanical treatment of forgings.
- Bohrwerk B1-160mm, for mechanical treatment of squares, steel flat bars and other shapes in line with drawings.
- Bohrwerk B2-130mm, for mechanical treatment of squares, steel flat bars and other shapes in line with drawings.
- Bohrwerk B3-90mm, for mechanical treatment and finishing.
- Bohrwerk B4-120mm, for mechanical treatment and finishing.
- Lathes TS3 (15 lathes)
- Coordinate grinding machine
- Lathes TS4 (6 lathes)
- Frontal lathes (4 lathes)
- Carousel (1)
- Grinding machine (2)
- Milling machine (4)
- Cranes (4)
- Striped cutting saw, AMADA
- Column grinder
- Small lathe TS2 (3)
- Planning machine small (2)
- Sinker
- Hydraulic press
- Signage machine
- Machine for blades sharpening
- Planning machine- big Billeter
- Machine for teething

#### **Construction workshop**

Use of workshop for fabrication of spare parts, for welding the parts of facilities, machine and equipment aimed at creating conditions for continuous production process in the production facilities Melt shop and Forge shop.

- Cranes in the construction workshop,
- Welding devices in the construction workshop.
- Machine for bending of steel plates up to 50mm in the construction workshop.
- Machine for cutting of steel plates/scissors in the construction workshop.
- Machine for bending of steel plates in the construction workshop.
- Furnace for thermal treatment of spare parts in the construction workshop.

#### **Traffic/Logistics**

Use of the space for parking of transportation vehicles and workshop for servicing and maintenance of vehicles for the purpose of continuous transport of finished goods, raw materials and spare parts in the production facilities Melt shop and Forge shop.

- Two vehicles for transportation of slag, KRESS.
- Kamaz vehicle Special
- Kamaz NK BC 626
- Kamaz dump truck NK AS 045
- EL. BRIDGE CRANE C-13 RELOADING
- KAMAZ 55111 DUMP TRUCK (NK AD 194)
- FORK LIFT 5T, LITOSTROJ
- FORK LIFT 3T, LINDE
- COMPRESSOR
- KAMAZ 55111 DUMP TRUCK (NK AB912)
- HEAVY DUTY VEHICLE FAP-13 – snow thrower
- EL. BRIDGE CRANE OF 5T
- FORK LIFT V-5 IM
- LATHE TES-2
- HYDRAULIC PRESS HP-70
- UNIVERSAL LATHE TMP 160
- CRANE DOUBLE-SIDED
- RECTIFIER FOR ACCUMULATOR CHARGING
- 'RIKO' SNOW PLOW – ON FAP 13
- COLUMN GRINDER STB 223
- COLUMN GRINDER 0-16MM
- Truck trailer
- WASHING MASCHINE-FRANK
- TABLES ORGAN ECON 2+3
- DEVICE FOR JETS TESTING

#### **Energy Plant and ancillary plants:**

Use of the in-house energy infrastructure required for continuous supplying of production facilities, machinery and ancillary equipment with electric voltage and for supplying of the vacuum degasser unit in the Melt Shop with preheated water steam, supplying with gas (CNG and LNG), argon, oxygen, etc.

The lessee is not entitled to utilize energy infrastructure for connection of solar power plants, because the owner of property and energy infrastructure plans to engage in the development of solar power plants for his/her own needs.

- Steam boiler#3 with the accompanying equipment, coal storage, chemical water treatment plant, accompanying systems, safety valves and steam line running from the Power Plant to the Melt Shop
- Well pumps with the accompanying equipment
- Use of water from Liverovići Lake, to cool the components in production plants in the Melt Shop and the Forging Plant
- Substations with the accompanying transformers used to supply generating and ancillary plants with electric voltage in the Forging Plant and the Melt Shop (35kV/50kV, 5kV/0.4kV) and to supply the lighting throughout all generating and ancillary plants and units, warehouses and part of the head office, needed to supply office and ancillary premises necessary for the execution of lessee's administrative affairs
- LPG/LNG station with the accompanying instrument & control equipment and the gas system distribution in the factory to the customer in generating facilities in the Forging Plant and the Melt Shop
- Tanks for oxygen and the pipeline



- Cylinder tanks for LPG (propane & butane)
- Tank with Argon pipeline
- Tank for liquid nitrogen
- Water cooling tower
- Drinking water system
- Industrial water system
- SVC, reactive power compensation plant

✚ **Shipment Hall:**

- The hall for shipment of finished goods, surface area:  $193\text{m} \times 28\text{m} = 5.404 \text{ m}^2$
- Lattice cranes in the Shipment Hall with the accompanying equipment and ploughshares necessary for complete functionality of cranes.

✚ **Warehouse areas:**

- Warehouse, the central warehouse, surface area:  $9,668 \text{ m}^2$

Used to store ferroalloys, disposables, spare parts, personal protective equipment and anti-fall equipment, and other materials and components used for production in the Forging Plant and the Melt Shop.

