

Sample Request for Qualifications for Large Scale Generation Projects

SAMPLE REQUEST FOR QUALIFICATIONS FOR LARGE SCALE GENERATION PROJECTS

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1. INTRODUCTION

[*The Procuring Entity*] is pleased to present this opportunity to finance, design, procure, construct, commission, operate and maintain a [*technology to be used*] power plant with a capacity of [XX-XX] MW (the “Facility”) at [*location*], and enter into a long-term power purchase agreement (PPA) with [*the Procuring Entity*] for the whole of the capacity and electrical output of the Facility (the “Project”).

1.1 Purpose

[*The Procuring Entity*] wishes to assess whether there are a sufficient number of interested and qualified private sector parties to participate in a competitive procurement process for this Project. If this can be ascertained, [*the Procuring Entity*] will invite eligible parties to submit proposals for this Project, and evaluate them in order to select a successful bidder. [*The Procuring Entity*] is committed to ensuring that the whole process is conducted in a fair, open and transparent manner.

The purpose of this Request for Qualifications (RFQ) is to ascertain levels of private sector interest in the Project and, if possible, to shortlist proponents who demonstrate appropriate qualifications to carry out the Project. This RFQ includes sufficient summary level information to assist proponents in preparing their RFQ Submission.

1.2 Procurement Process Overview

The procurement process for this Project involves two phases: Phase I, consisting of this RFQ to be responded to with a RFQ Submission, and Phase II, consisting of a Request for Proposals (RFP) inviting formal proposals relating to the Project to be submitted. A project committee will be established by [*the Procuring Entity*] to guide both phases of the process.

The following timetable provides an overview of the main components of the procurement process for the Project. It should be noted that successful participation in Phase I is a mandatory requirement for continued participation in the process.

Phase I – RFQ	
Component	Date or deadline
Release of RFQ	[<i>date</i>]
RFQ Submission due	[<i>date</i>]
RFQ pre-qualification notification	[<i>date</i>]
Phase II – RFP	
Component	Date or deadline
Release of RFP	[<i>date</i>]
RFP Bidder meeting	[<i>date</i>]
RFP Submission due	[<i>date</i>]

Notification of evaluation of technical proposals	[<i>date</i>]
Notification of evaluation of financial proposals	[<i>date</i>]
Notification of selection of successful bidder	[<i>date</i>]
Execution of letter of intent with successful bidder	No later than [<i>date</i>]
Execution of Project agreements	No later than [<i>date</i>]
Financial Close	No later than [<i>date</i>]

RFQ Bidders should note that the high level description of the Project and the RFP set out in this RFQ represents [*the Procuring Entity*]'s present approach and is subject to final determination at a later date. A full description will be included in the RFP.

2. BACKGROUND

2.1 [description of background to Power Project]

2.2 Introduction to [*the Procuring Entity*]

...[XX insert description]

2.3 Legislative and Regulatory Background

2.4 Private Sector Participation and Financing in Power Generation

[The Private Power Policy aims to achieve the least cost to the consumer and to achieve a higher level of service and supply reliability, and further, to sustain an adequate level of investment in the power sector at all times, by attracting private sector investment.

The Private Power Policy will ensure the realisation of the sector's main objective, which is to meet the demand for electrical energy at all times at least economic, social and environmental cost and thereby promote economic development and social well-being.

The private sector is expected to play a key role in power sector activities. Future power generation projects will be promoted by the private sector. The private sector will be expected to finance such projects through equity or a mixture of equity and debt. Selection of private sector power developers will be through competitive bidding procedures. In selecting such power generation project developers, the price to be paid (the bid prices) for generation that complies with the technical requirements will be the principal criterion.

The process of power procurement will be transparent and enhance competition. It will create incentives for efficient procurement, protect end consumers, establish transparent and predictable mechanisms for investors to recover their costs and a reasonable rate of return and will facilitate financing and development of the sector.]

3. DESCRIPTION OF THE PROJECT

3.1 Scope of the Project

Through a special purpose project company, the successful bidder will finance, design, procure, construct, commission, operate and maintain a [*technology to be used*] power plant with a capacity of

[XX-XX] MW (the “Facility”) and with the minimum functional specification and operating characteristics to be set forth in a schedule of the PPA. The Facility shall be so designed, constructed, commissioned, operated and maintained so as to comply with the PPA, which will contain technical standards that must be complied with and incentives to maximize availability. The special purpose project company shall have as its principal objects the financing, design, procurement, construction, commissioning, operation and maintenance of the Facility.

[If appropriate, insert a description of the:

- Role of the power station and station load profile
- Transmission connection point
- Fuel to be used and reference to the fuel supply agreement
- Site location and access
- Site utilities
- Social and resettlement conditions
- Environmental considerations]

The successful bidder will be responsible for investigating the need for and obtaining all necessary consents, permits, licences and approvals for the design, construction, operation and maintenance of the power station and equally in meeting all appropriate legislation and regulations.

3.2 Project Agreements

The successful bidder will enter into a PPA, an Implementation Agreement (IA) [and a Fuel Supply Agreement (FSA)] to carry out the Project. A draft for each of these agreements (the Project Agreements) is set out in Annexes 1, 2 [and 3] of this RFQ, respectively. They serve to define the Project and are intended to represent the basis of a financeable project and have an allocation of risk to this end.

RFQ Bidders are invited to provide as part of their RFQ Submissions any comments they might have on the Project Agreements. [*The Procuring Entity*] will analyse these comments and decide whether or not to make changes to the drafts that will be attached to the RFP.

3.2.1 The Power Purchase Agreement

The model PPA is set out in Annex 1 of this RFQ. It is between [*the Procuring Entity*] and the project company and relates to the whole of the capacity and electrical output of the Facility. Its general features are:

- A two part capacity and energy charge designed to ensure that the IPP is indifferent as to whether or not the Facility is dispatched;
- Incentives to maximise availability during the year or specified periods in the year;
- Operations and maintenance obligations that support system operations and continuity of service;
- Force majeure, termination and change in law provisions that are “bankable”;
- Contract buy-out provisions that fully compensate the project company.

3.2.2 The Implementation Agreement

The Implementation Agreement is set out in Annex 2 of this RFQ. It is between [*the Ministry of Industry, Mines and Energy*] and the project company and relates to the support given by the Cambodian Government and its agencies to the project. Its general features are:

- Requirement for Provision of the development security required under the Foreign Investment Law by the project company;
- Support for the project company in obtaining all necessary governmental approvals and investment incentives;
- Protection against expropriation, compulsory acquisition, discriminatory action and governmental intervention in the project; and
- [Assistance in site acquisition [and] transportation of equipment, materials and fuel];
- [Provision of guarantees by [Government]]

3.2.3 The Fuel Supply Agreement

The FSA draft is set out in Annex 3 of this RFQ. It is between [*the fuel supplier*] and the project company and relates to the supply of fuel to the Facility. Its general features are:

- Fuel specification.
- Nominations of fuel requirements to be given to [*the fuel supplier*] and a firm notice of the weekly fuel requirements in any month at least [•] months in advance. The project company may revise its nomination in respect of fuel to be supplied in any week once and no later than [•] days prior to the commencement of the relevant week.
- Fuel in storage sufficient for not less than [•] days of continuous generation by the Facility at full load.
- Fuel supplied to conform to agreed specifications (merchantable quality, free of waxes and contaminants, reasonable limits of mineral contents, minimum energy value).
- Fuel testing procedures to ensure that the fuel complies with the specification.
- Fuel pricing and indexation.
- Fuel measurement.

[Note: It is unusual to specify the Fuel Supply Agreement unless the power purchaser intends to take the fuel supply risk.]

4. INSTRUCTIONS TO BIDDERS

4.1 RFQ Submission Deadline

[*The Procuring Entity*] must receive RFQ Submissions no later than [*time*] on [*date*] at the [submission address]. RFQ Submissions must be delivered by hand, and will not be accepted by fax or electronic mail.

[*The Procuring Entity*] may extend the RFQ Submission deadline for such period of time as [*the Procuring Entity*] deems appropriate.

RFQ Submissions received after the applicable RFQ Submission deadline may be returned unopened.

4.2 RFQ Submission Requirements

RFQ Submissions must be in English and in compliance with the requirements set out in this RFQ. Each RFQ Submission must be delivered in (2) separate packages:

- A package marked "Financial Information", which must contain two (2) copies of all information related to financial capacity (as set out in **Section 4.3**); and
- A package marked "Technical and Commercial Information", which must contain one (1) original and two (3) bound copies of the remaining portions of the RFQ Submission requirements (as set out in **Section 4.3**).

Each package must include the name and address of the RFQ Bidder.

RFQ Bidders should follow the format set out in **Section 4.3** to facilitate evaluation of RFQ Submissions. Such RFQ Submissions should contain concise written material and illustrations that enable a clear understanding and evaluation of the RFQ Bidders' capabilities.

RFQ Submissions submitted in any other manner or form may be rejected. Only the information required for an RFQ Submission should be submitted in the packages. Supplementary information included in the package that is not specifically required pursuant to this RFQ may be disregarded. RFQ Bidders should therefore review the RFQ and ensure that the appropriate information is submitted.

4.3 Content and format for RFQ Submission

Cover page(s): To include identification of RFQ Bidder and Submission Form
Table of Contents
Chapter 1- General Information
1.1 Description of RFQ Bidder Identify the nature of the business and the form and ownership of the RFQ Bidder's business structure (e.g., corporation, partnership, joint venture, consortium, special purpose vehicle).
1.2 Description of Project Lead for the RFQ Bidder Identify the individual who will be responsible for leading the Project, including title and any relevant experience.
1.3 Contact Person Provide a single contact person for all future communication between [<i>the Procuring Entity</i>] and the RFQ Bidder. Please identify the contact person's name, title, organization, address, telephone number, and fax number.

<p>Chapter 2 – Technical and Operational Capability RFQ Bidders must provide evidence of their ability to design, built, commission, operate and maintain the Facility. <i>[include any specific criteria or requirement based on the characteristics of the Project]</i></p>
<p>Chapter 3 – Project Management Capability RFQ Bidders must provide evidence of their ability to project manage the implementation of the Project. <i>[include any specific criteria or requirement based on the characteristics of the Project]</i></p>
<p>Chapter 4 - Financial Capability RFQ Bidders must provide evidence of their ability to procure and finance the Facility. RFQ Bidders should note that information and materials submitted to demonstrate financial capability should be in a separate package marked “Financial Information”. <i>[include any specific criteria or requirement]</i></p>
<p>Chapter 5 - Other Requirements In addition to the above requirements, each RFQ Bidder must: <i>[...XXX include any additional specific criteria or requirement based on the characteristics of the Project]</i></p>
<p>Chapter 6 - Comments on the Project Agreements Drafts RFQ Bidders may include comments on the Project Agreements drafts provided in this RFQ.</p>

5. REVIEW AND EVALUATION OF SUBMISSIONS

5.1 RFQ Submission Review

RFQ Submissions will be reviewed to ensure that all of the information requested is included and that the RFQ Submission is, therefore, complete. The completeness review will ensure that (i) the required contents have been submitted and (ii) that such contents have been submitted in the format as set out in this RFQ. Failure to provide a substantially complete RFQ Submission may result in the RFQ Submission not being evaluated for content. A substantially complete RFQ Submission means an RFQ Submission that, in *[the Procuring Entity]* unqualified subjective discretion, represents a good faith effort to meet the requirements as set out in this RFQ.

5.2 RFQ Submission Evaluation

All substantially complete RFQ Submissions will be evaluated by *[the Procuring Entity]* using the criteria set out in **Section 6**. If any RFQ Bidder fails to meet any of the evaluation criteria required to pass the RFQ Submission evaluation as set out in **Section 6**, *[the Procuring Entity]* will disqualify the relevant RFQ Bidder.

Meeting the criteria is an ongoing requirement that will continue after the RFQ Submissions have been submitted and evaluated. RFP Bidders will be required to include an acknowledgement with their RFP Submissions that they continue to meet the RFQ evaluation criteria. Further details on the ongoing nature of the evaluation criteria will be set out in the RFP.

5.3 Clarifications

During the evaluation of RFQ Submissions, *[the Procuring Entity]* may request that any RFQ Bidder provide further clarification of any part of its RFQ Submission. *[The Procuring Entity]* may disqualify the relevant RFQ Bidder if the clarification reveals:

- that information contained in the RFQ Submission is materially inaccurate; or
- information that may materially adversely affect the ability of the RFQ Bidder making the relevant RFQ Submission to deliver the Project.

RFQ Bidders should make no assumption in an RFQ Submission that *[the Procuring Entity]* has any knowledge of the RFQ Bidder or its team members, or of the experience, expertise or performance of the RFQ Bidder or team members on projects other than provided in a RFQ Submission.

5.4 RFQ Pre-qualification Notification

Before disqualifying any RFQ Bidder, *[the Procuring Entity]* shall explain to EAC the reasons for such disqualification. EAC will consider these reasons and may require *[the Procuring Entity]* clarifying or reconsidering its intention to disqualify such RFQ Bidder.

Once the EAC has determined that it has no objection to the RFQ phase of the procurement process for the Project, *[the Procuring Entity]* will issue the RFQ pre-qualification notification indicating which RFQ Bidders are eligible to [purchase/obtain] the RFP in order to participate in the second phase of the procurement process for the Project. *[The Procuring Entity]* will publish on its website a list of these pre-qualified bidders.

6. EVALUATION CRITERIA

This section sets out the evaluation criteria that RFQ Bidders must meet.

6.1 Technical Capability

Each RFQ Bidder must show that it has the technical capability, experience and expertise (either directly or through the use of other parties such as consultants or contractors etc.) to design, construct and operate the Facility. Appropriate experience in similar projects is essential.

Each RFQ Bidder must demonstrate significant technical experience of a minimum of *[number (#)]* IPP projects with at least *[number (#)]* the *[number (#)]* in commercial operation. A description of each project should be presented. No more than *[number (#)]* projects should be submitted in response to this RFQ. Additional projects will not be reviewed or evaluated.

6.2 Financial Capability

Each RFQ Bidder must show that it has strong credit backing, and can directly or indirectly successfully arrange financing for the Project, and arrange the required security on completion and performance, by providing:

- (a) evidence of the RFQ Bidder's specific experience, as project sponsor, in raising the equivalent of at least *[quantity in dollars]* in total financing for previous projects, including a description of the projects, the role of the project sponsor in obtaining financing, a summary of the amounts and types of financing raised (including the equity and quasi-equity contributed by the project sponsor), names of key individuals or authorities involved who can verify the information provided (name, title, organization, address, telephone number, and fax number);
- (b) complete disclosure of any incidents of default on projects where the RFQ Bidder or related entity acted as project sponsor and the current status of such incidents;
- (c) complete disclosure of any liabilities, contingent liabilities, obligations, charges and liens, covenants, off-balance sheet financing arrangements, defaults, legal action pending, or other matters that might prevent the RFQ Bidder from implementing the Project; and

- (d) the RFQ Bidder's or related entity's latest audited (or reviewed) financial statements available as at the date of the RFQ Submission.

6.3 Project Management Capability

Each RFQ Bidder must show that it has the ability to manage a project of the nature and scope of the Project.

Each RFQ Bidder must demonstrate project management experience on a minimum of [number (#)] IPP projects with at least [number (#)] the [number (#)] complete. A description of each project should be presented. No more than [number (#)] projects should be submitted in response to this RFQ. Additional projects will not be reviewed or evaluated.

7. OTHER MATTERS

7.1 Cost and Expenses of RFQ Bidders

All costs and expenses incurred by an RFQ Bidder in the preparation and delivery of its RFQ Submission or in providing any additional information necessary for the evaluation of its RFQ Submission will be borne solely by the RFQ Bidder.

7.2 Changes to RFQ Bidders

If there is a material change in the information provided to demonstrate technical, financial and project management capabilities of a RFQ Bidder which has made an RFQ Submission, the applicable RFQ Bidder must notify [*the Procuring Entity*] in writing by delivery or facsimile (at the Submission Address), within five (5) working days of any such addition, deletion or change. [*The Procuring Entity*] has the right to disqualify any such RFQ Bidder and/or to reject the RFQ Submission of any such RFQ Bidder if [*the Procuring Entity*] considers that the addition, deletion or change may have a material adverse impact on the ability of the RFQ Bidder to carry out the Project.

7.3 Examination and Interpretation of Documents

Each RFQ Bidder is responsible for ensuring that it has all of the information necessary to respond to this RFQ and for independently informing and satisfying itself with respect to the information contained in this RFQ, and any conditions that may in any way affect its RFQ Submission.

7.4 Rights of [*the Procuring Entity*]

Notwithstanding anything else in this RFQ, [*the Procuring Entity*] has the right to change the dates, annex, deadlines and requirements described in this RFQ, to reject any or all RFQ Submissions, to disqualify any RFQ Bidder, to change the limits and scope of the procurement process and/or Project, to cancel this RFQ or the procurement process and/or Project or to elect not to proceed with the procurement process and/or Project for any reason whatsoever, without incurring any liability for costs and damages incurred by any RFQ Bidder.

7.5 No Collusion

At all times, each RFQ Bidder will be responsible to ensure that its participation in this RFQ process is conducted fairly and without collusion or fraud. [*The Procuring Entity*] has the right to

disqualify any RFQ Bidder and/or reject any RFQ Submission where it finds any evidence that an RFQ Bidder has taken part in collusive or fraudulent behaviour.

7.6 [Procuring Entity]'s Right to Verify

[The Procuring Entity] may independently verify any information in any RFQ Submission. [The Procuring Entity] has the right to disqualify any RFQ Bidder and/or to reject the RFQ Submission of any RFQ Bidder who's RFQ Submission contains any false or misleading information. [The Procuring Entity] also has the right to disqualify any RFQ Bidder and/or to reject the RFQ Submission of any RFQ Bidder, who, in [the Procuring Entity]'s discretion, has failed to disclose any information that would, if disclosed, materially adversely affect the evaluation of the relevant RFQ Bidder's RFQ Submission.

7.7 Failure to Comply

Failure to comply with any requirements of this RFQ may result in disqualification of the RFQ Bidder and/or the rejection of its RFQ Submission.

ANNEX 1 DRAFT POWER PURCHASE AGREEMENT

ANNEX 2 DRAFT IMPLEMENTATION AGREEMENT

ANNEX 3 [DRAFT FUEL SUPPLY AGREEMENT]