



**CONNECT SAINT HELENA LTD.  
& ST HELENA GOVERNMENT**

**Jamestown**

**St Helena Island**

**South Atlantic Ocean**

**STHL 1ZZ**

**Request for Proposals for  
Renewable Energy on the Island of  
St Helena  
July 2017**

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## 1. Introduction and Overview

- 1.1. Connect Saint Helena Ltd<sup>1</sup> ("Connect" or the "Company") in partnership with the St Helena Government ("SHG") respectfully submits a copy of its Request for Proposals for Renewable Energy on the Island of St Helena, June 2017 ("RFP").
- 1.2. Electronic notice of the availability of the RFP on SHG's website (<http://www.sainthelena.gov.sh/publications/>) will be made to all parties who have submitted an Expression of Interest to SHG. A full copy of SHG's procurement regulations can be found at <http://www.sainthelena.gov.sh/councils/formal-legislative-council/sp-04-procurement-regulations-v-1-3-nov-15/>
- 1.3. Connect seeks proposals for the supply of long term (25 years<sup>2</sup>) renewable energy for the Island of St Helena under a Power Purchase Agreement ("PPA"), the terms of which shall be negotiated between Connect and the seller.
- 1.4. The project should commence commercial operation by 2019. It is preferred that the resources proposed do not require improvements to Connect's existing system.
- 1.5. This RFP is part of a competitive procurement process. The process is intended to elicit proposals that will enable Connect to obtain renewable energy at a competitive, reasonable cost with reliability, viability and operational characteristics consistent with Connect's resource planning requirements. This RFP outlines these requirements and provides information and instructions to prospective Tenderers.

### Objectives of the RFP

- 1.6. It is the intention of the Island's Energy Strategy<sup>3</sup> ("the Strategy") to meet 100% of electricity demand of all consumers connected to the national grid through renewable energy by 1st April 2022. In accordance with the Strategy, this RFP has been drafted with the aim of procuring sufficient generation and storage plant to increase the contribution of supply from renewable energy sources (RES) to at least 85% from current levels<sup>4</sup>. Potential renewable energy technologies considered by the Strategy include solar, wind, anaerobic digestion and biofuels, although we would consider proposals that include other renewable electricity generation technologies if they were viable and environmentally sustainable.
- 1.7. This RFP is seeking at least 2 MW of capacity within 24 months of operation, and 5 MW within 15 years of operation; however the amount of energy associated with renewable generation capacity that Connect may select through this RFP process could be higher.

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<sup>1</sup> Connect Saint Helena is 100% owned by St Helena Government. Connect shall be the buyer under the PPA. SHG is providing procurement and project management support. The Evaluation Team consists of representatives from Connect and SHG.

<sup>2</sup> Terms greater or lower will be considered. We understand that the term is likely to depend upon the lifetime of the technology proposed. For example, a contract for 15 years may be suitable for a technology providing electricity for 15 years.

<sup>3</sup> [http://www.sainthelena.gov.sh/wp-content/uploads/2012/08/161025\\_St-Helena-Government-Energy-Strategy-FINAL-October-2016.pdf](http://www.sainthelena.gov.sh/wp-content/uploads/2012/08/161025_St-Helena-Government-Energy-Strategy-FINAL-October-2016.pdf)

<sup>4</sup> 29% in 2015/16 and 26% in 2016/17

## Renewable Energy Request for Proposal

- 1.8. Connect believes that having its renewable energy portfolio consist of a diversified mix of resources is a prudent approach to meeting Energy Strategy goals. Connect's current consolidated renewable energy portfolio includes wind and solar resources. By this RFP, Connect intends to procure cost-effective renewable energy resources to help meet the Strategy's requirements and to provide energy price reduction and stability to Connect's customers.
- 1.9. The Evaluation Team, made up of representatives of Connect and SHG, will evaluate and select proposals that provide both economic and non-economic benefits to Connect and its customers and adhere to performance standards necessary to protect Connect system reliability. It is expected that any projects that result from this RFP will help meet St Helena's Energy Strategy goals.

### Demand

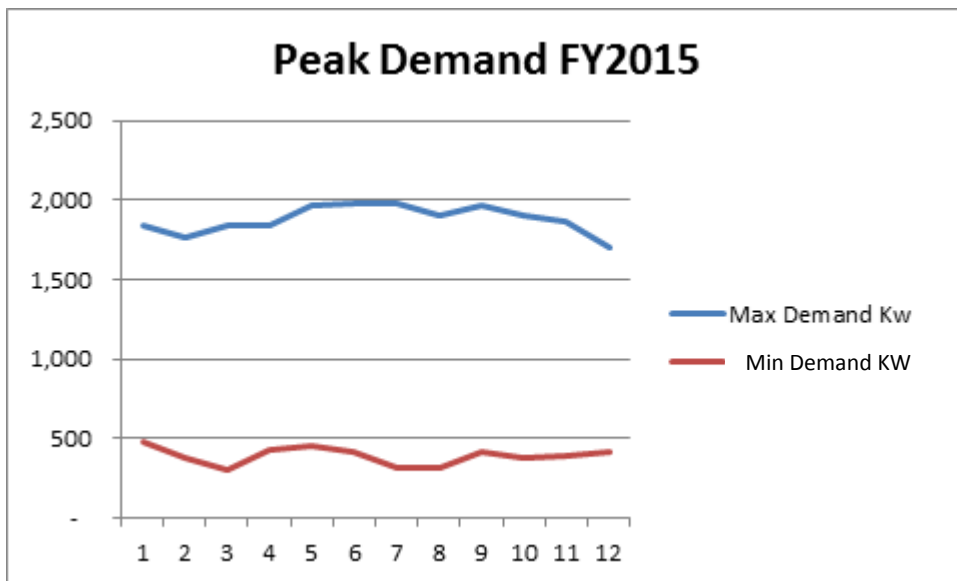
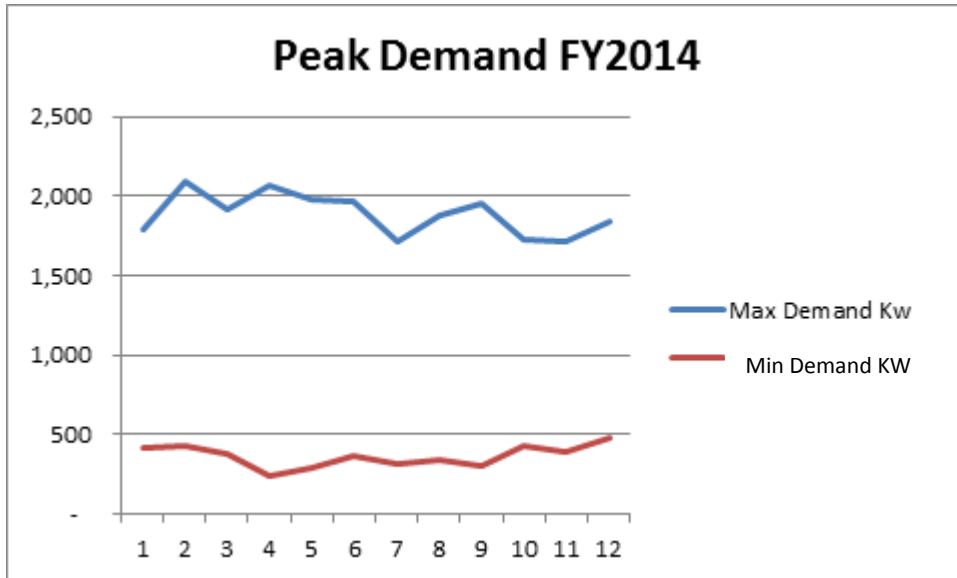
- 1.10. Power consumption in St. Helena in the 2016-2017 financial year was 9,721,794 kWh. This amount may be split according to use into domestic, commercial, governmental and internal consumption; domestic being the dominant one.

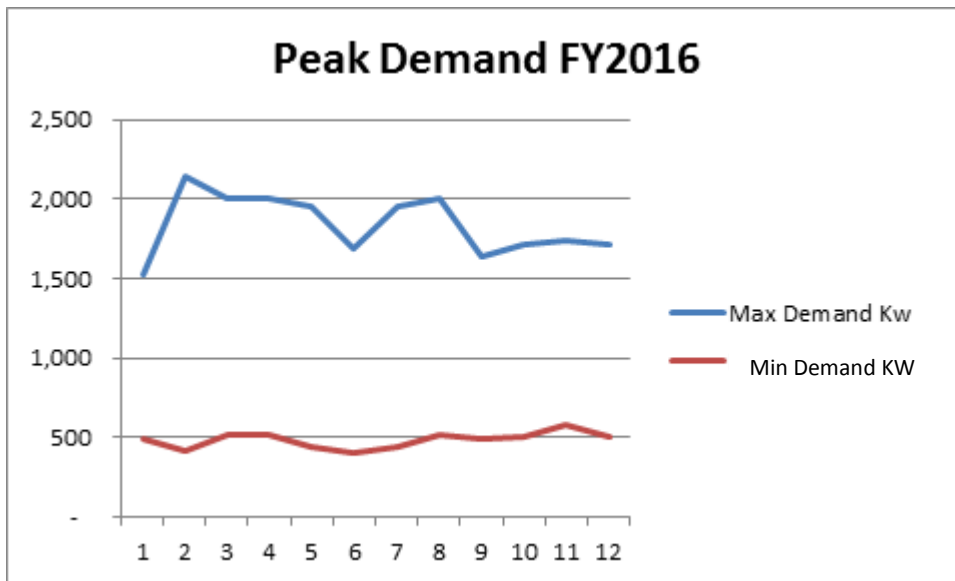
kWh	Apr-Jun 2016	July-Sep 2016	Oct-Dec 2016	Jan-Mar 2017
<b>Domestic</b>	1,159,321	1,183,998	1,115,878	1,092,957
<b>Commercial</b>	809,857	1,252,749	917,432	936,995
<b>Government</b>	144,525	270,558	236,791	266,015
<b>Internal (what Connect consumes and cross charges)</b>	99,861	75,691	82,293	76,873
<b>Total</b>	<b>2,213,564</b>	<b>2,782,996</b>	<b>2,352,394</b>	<b>2,372,840</b>

- 1.11. In order to put this demand into context, we can compare the annual per inhabitant electricity consumption of St. Helena with other Islands. The per capita consumption in St. Helena is 2,160 kWh per inhabitant, based on 4,500 inhabitants. This means that, in general terms, the consumption in St. Helena is within a reasonable range.
- 1.12. With the commencement of commercial flights from the St Helena Airport the Island is anticipating a growth scenario through increased visitors. Entering the knowledge economy, will also impact on future demands. The Business Case on which the decision to proceed with building the St Helena Airport was based, had as an assumption that visitor numbers would increase incrementally to 29,000 per year by 2042. The expectation is that there will be around 5,000 visitors per annum to begin with, which exceeds current visitor numbers of around 1,000 per annum. SHG are also committed to improving connectivity to the Island which could see a marine fibre optic cable and potential satellite signal receiving facilities (ground stations). This will be an additional electrical load.
- 1.13. The current make-up of generation plant and their relative contribution to meeting energy demand is wind 18.6%, solar 7.5% and the remainder diesel. These are actuals from 2016-17.

1.14. If month-by-month diesel power demand for electricity generation is observed, one can realise quite a stable profile. This is in accordance with the latitude of the Island. As the climatic variation over the year is small, the power demand also remains within minor variations and seems decoupled from the ambient temperature. Electricity is not used in abundance for heating; 65% of homes have piped hot water and around 40% of households use solar energy as a means of heating (Census, 2016).

Figure 1: Diesel demand in St Helena (Years 2014-2016) by month





- 1.15. Peak values of diesel power demand currently reach values slightly over 2,000 kW. However, it is estimated the long term capacity need for St Helena will exceed 5MW.
- 1.16. The daily profile typically starts with a night time valley, with demand in a range of 500-800 kW. At 7 AM, the required power steps up to 1,000-1,300 kW, experiencing slight variations until 4 PM. From then it starts to rise steadily until 7 PM, when the daily peak occurs, rising to 1650-2140 kW. After 7 PM, the power demand starts to decrease gradually until the end of the day.
- 1.17. On weekends, the daily profile is generally similar, but on Sundays the daily peak occurs in the morning, in the period between 9 and 12 AM.
- 1.18. It is expected that a planned demand profile will be agreed with the successful Tenderer. At this stage, the Tenderers should estimate their own demand forecast.
- 1.19. Further information is available at <http://www.connect.co.sh/> and <https://www.sunnyportal.com/Templates/PublicPagesPlantList.aspx>

### Building Regulations

- 1.20. Establishing appropriate but progressive regulations for St Helena's infrastructure is particularly difficult, given the Island's unique circumstances. SHGs technical staff refer back to UK standards as a benchmark for design and construction; the proposals should outline that the projects will conform to UK/EU standards.

### Budget

- 1.21. There is **no capital budget** for this project and the project will need to be self-financed.

### Land and Planning

- 1.22. The successful provider would be supported by SHG in acquiring land and securing planning. It is envisaged that the optimal solution would be developed on Crown Land. Information regarding available sites will be made available to the bidders during the procurement process. Please contact the Procurement Team directly for maps and/or GIS

layers showing potential Crown Land available for use (subject to planning permission) with grid location and terrain information.

**Travel**

- 1.23. Travel to St Helena is currently restricted to transit by sea or privately chartered aircraft. However, the Island is on the verge of being opened to international air access, and at the time of writing this document, commercial travel is expected to be available to the public later in 2017. Freight is transported by sea. The Tenderer should ensure that they consider freight costs within their calculations.

**Access to the RFP Website**

- 1.24. Connect and SHG intends that the primary means of contact with prospective Tenderers and other interested parties will be via the Publications website and via email. The website link is <http://www.sainthelena.gov.sh/publications/>. Any updates to the RFP will be posted on the website. Questions and proposals should be submitted to the Procurement Team for this RFP at the following address: Nicola Young, [CorporateProcurement@sainthelena.gov.sh](mailto:CorporateProcurement@sainthelena.gov.sh).



## 2. Resource Needs and Requirements

### Proposal Submittal Requirements

- 2.1. Proposals must be received by the Procurement Team by 4:00 pm (GMT) on Friday 1 September 2017. All proposals must be prepared in accordance with the procedures specified in the RFP. This process is intended to provide an orderly, consistent and fair evaluation process. Tenderers are required to respond to all questions and provide information requested. Items which are not applicable to a specific Tenderer or project type must be clearly marked “N/A” and a brief explanation must accompany each item so marked. All proposals must follow the specified format. It is the Tenderer’s responsibility to advise the Procurement Team of conflicting requirements, omission of information, or the need for clarification before proposals are due. All proposals must remain valid through the award period.
- 2.2. Connect will accept proposals from all eligible suppliers of renewable resources that are able to meet the Pass/Fail criteria within this RFP. Generation must be provided from either new facilities or from demonstrated expansion of existing eligible facilities. The key parameters for the proposals requested through this RFP and the requirements for the proposal are identified in Table 1 below.

**Table 1: Summary of Bidding Requirements**

<b>Product Parameters</b>	<b>Requirements</b>
Type of Product	Connect is interested in proposals to provide electricity from renewable sources. In order to ensure reliability of supply, Connect are interested in proposals which incorporate energy storage.
Minimum Output	Output should exceed 2 MW within 24 months of operation and exceed 5 MW within 15 years of operation.
Maximum Output	The maximum output Connect will consider is 15 MW.
Contract Term	Connect proposes to enter into one Contract for the supply of electricity shortly after announcing the successful Tenderer.  The recommended term is 25 years commencing from project commercial operation. Terms proposed which are more or less than 25 years shall be considered. Bidders may wish to propose a term which equals the useful life time of the technology proposed.
Commercial Operation Date	Bids must be for projects with commercial operation dates commencing in 2017, 2018 or 2019.
Eligible Resources	Generation resources that will produce renewable electricity as set out in the Energy Strategy; Solar, Wind, Anaerobic Digestion and Biofuel, are eligible, although we would accept a proposal which includes some other form of renewable electricity generation if it was viable and environmentally

	sustainable.
Requirements	Connect will be offering a PPA for energy.

**Characteristics of the Resource Required**

- 2.3. The experience of Connect and its affiliates with integrating intermittent renewable resources (e.g., wind) onto a small isolated Island grid is that such resources present challenges in operating the system and maintaining system stability. In addition, Connect is interested in ensuring that additional renewable resources can be added to the system in the future at reasonable integration costs. Some of the challenges that will affect the desired performance standards and characteristics of the projects are expected to include:
- System stability - ensuring that the Connect system will not experience blackout following line faults and generation loss with high intermittent or dispatch limited resource penetration. It should be shown that there is sufficient back up or contingency to avoid blackout.
  - Frequency control - variations in the output of intermittent resources can cause variations in system frequency. If frequency deviations become too large, the system is less stable and can lead to short customer outages (under frequency load shed) or extensive outages (if the deviation leads to system failure).
  - Voltage control - variations in the output of intermittent resources may cause variations in system voltage. Low voltage may result in customer equipment being damaged. If voltage deviations become too large, the system is less stable and can lead to short customer outages (under voltage load shed) or extensive outages (if the deviation leads to system failure).
- 2.4. In addition to the general issues related to high levels of intermittent resource penetration, St Helena faces a unique set of challenges to integrating such resources onto its grids. These include having no interconnections to other grids for support, little geographic diversity, and a unique mix of generation resources.
- 2.5. Renewable energy providers should incorporate design features into their projects that can address system integration requirements. Such features could include installation of equipment and technology to mitigate fluctuations such as power conditioning equipment, installation of energy storage devices, self-curtailment of output, and enhanced forecasting ability.
- 2.6. There will be an opportunity for shortlisted bidders to discuss the specifics of the Connect grid network during the interview stage, in advance of submitting Best and Final Offers. In advance of this, a map of the grid network will be provided on request from the Procurement Team. Connect will share information that they believe will be of use to the Tenderer, at the Tenderer's request, but do not intend to undertake any new studies for the purposes of informing this project.
- 2.7. It may be necessary for the Procurement Team to contact Tenderers to either clarify their pricing and related proposed terms, or provide additional information to assist the Evaluation Team in the evaluation. Connect and SHG extends its appreciation in advance to all Tenderers and encourages Tenderers to carefully review the Response Package

and provide any necessary clarification to their proposed pricing specifically in response to meeting various levels of performance standards.

**Pricing Formula Requirements**

- 2.8. Connect will accept proposals from intermittent resources that offer one of the following pricing options:

(1) a fixed price (in £/kWh) for the term of the contract;

(2) A price (in £/kWh) that escalates by a fixed escalation rate for the term of the contract (e.g. 2% per year); or by different fixed rates for various periods of the contract (e.g. 3% for the first 5 years, 2% for the next 5 years, etc.) In order to assess bids on an equal footing, the average (mean) £/kWh over the term of the contract should be set out.

Variant bids (such as linking prices to indices) will only be considered alongside a compliant bid (which provides a fixed average cost).

**Contract**

- 2.9. Tenderers will be provided with a draft PPA Contract after the short listing stage.

**Contract Size**

- 2.10. Tenderers should prepare proposals for renewable energy contracts which deliver at least 2 MW of capacity after 24 months and 5 MW of capacity after 15 years. Tenderers may elect to provide proposals which are incrementally phased in under a proposed implementation schedule. Meeting capacity milestones earlier would be beneficial; the schedule should assist St Helena in meeting the Strategy target that 100% of electricity should be sourced from renewables by 2022.

### 3. Instructions to Tenderers

#### Schedule for the Bidding Process

- 3.1. Table 2 provides the proposed schedule for the bidding process. The Procurement Team reserves the right to revise the schedule as necessary. Any changes to the schedule will be posted on SHGs website.

**Table 2: RFP Schedule**

Event	Anticipated Dates
Issue RFP	Thursday 8 June 2017
Deadline for the submission of clarification questions	Friday 30 June 2017
Deadline for the submission of the second round of clarification questions	Friday 28 July 2017
Due Date for Proposals	Friday 1 September 2017 4pm (GMT)
Notification of Short-Listed Tenderers and draft PPA Contract issued for comment prior to interview	Monday 25 September 2017*
Tenderer interviews	Week of 2nd October*
Submission of Best and Final Offers	Monday 23 October 2017 4pm (GMT)*
Selection of Preferred Tenderer	Friday 17 November 2017*
Sign off by Procurement Board and Announcement made to Tenderers	Week of 20 November 2017*
Contract signing	Week of 27 November 2017

\*Dates are indicative<sup>5</sup>.

#### Preparation of Proposals

- 3.2. Each Tenderer shall have sole responsibility for carefully reviewing the RFP and all attachments and for thoroughly investigating and informing itself with respect to all matters pertinent to this RFP. Tenderers should rely only on information provided in the RFP and any associated written updates when preparing their proposal. Information submitted by Tenderers in response to the Expression of Interest will not be considered for this RFP unless re-stated in the proposal. Each Tenderer shall be solely responsible for and shall bear all of its costs incurred in the preparation of its proposal and/or its participation in this RFP, including, but not limited to, all costs incurred with respect to the review of the RFP

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<sup>5</sup> Timetable change made on 18 July 2017. Deadline date and dates thereafter moved back, by around 4 weeks, to allow tenderers more time to prepare bids.

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documents, teleconference or face to face meetings with Connect and SHG, third party consultant consultation, and investigation and informing itself with respect to matters pertaining to its proposal and this RFP, and the same shall not be reimbursed by Connect to any Tenderer, including the selected Tenderer(s).

### **Submission of Initial Questions**

- 3.3. Any enquiries or requests for clarification of any matters arising from this RFP should be made in email to [CorporateProcurement@sainthelena.gov.sh](mailto:CorporateProcurement@sainthelena.gov.sh)
- 3.4. Connect, in conjunction with SHG, will respond to all reasonable clarifications as soon as possible through issuing a document listing Tenderers' questions and the response to them, which will be e-mailed to all Tenderers.
- 3.5. If a Tenderer wishes Connect and SHG to treat a clarification as confidential and not issue the response to all Tenderers, it must state this when submitting the clarification. If, in the opinion of Connect and SHG, the clarification is not confidential, the Procurement Team will inform the Tenderer and it will have an opportunity to withdraw it. If the clarification is not withdrawn, the response will be issued to all Tenderers.

### **Submission of Proposals**

- 3.6. Tenderers must submit their proposal by email to the Procurement Team by 4:00 pm (GMT) based on the schedule in Table 2. Each email should not contain attachments greater than 5MB, or it is not guaranteed they will be delivered. Connect and SHG reserves the right to reject any proposals received after the deadline. All proposals should be sent to the Procurement Team for this RFP at the address below: Nicola Young, [CorporateProcurement@sainthelena.gov.sh](mailto:CorporateProcurement@sainthelena.gov.sh). Each proposal shall contain the full name and business address of the Tenderer, and shall be signed by an authorized officer of the Tenderer as per Appendix A. All proposals submitted become the property of the Company.
- 3.7. Any Tender received after the Deadline shall not be opened or considered. Connect in conjunction with SHG may, however, in its own absolute discretion extend the Deadline and in such circumstances the Procurement Team will notify all known Tenderers of any change.
- 3.8. Please number every page sequentially in the main body of your response as "Page [x] of [xx]" and include the date and name of your Company on each page of the main body. Any additional pre-existing material which is necessary to support your Tender should be included as schedules with cross-references to this material in the main body of your Tender. Cross-references to this RFP should also be included in your Tender whenever you consider it to be relevant.
- 3.9. The Tender must be clear, concise and complete. The Evaluation Panel reserves the right to mark a Tenderer down or exclude them from the procurement if its Tender contains any ambiguities or lacks clarity. Tenderers should submit only such information as is necessary to respond effectively to this RFP. Unless specifically requested, extraneous presentation materials are neither necessary nor desired. Tenders will be evaluated on the basis of information submitted by the Deadline.
- 3.10. Where the Tenderer is:

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- A Company, the Response Form (Appendix A) must be signed by a duly authorised representative of that company.
- A Consortium, the Response Form (Appendix A) must be signed by the lead authorised representative of the consortium, which organisation shall be responsible for the performance of the Contract.
- A Partnership, all the partners should sign or, alternatively, one only may sign, in which case he must have and should state that he has Company to sign on behalf of the other partner(s).
- A Sole Trader, he should sign and give his name in full together with the name under which he is trading.

### **References**

- 3.11. Tenderers are requested to supply a minimum of one reference, as outlined in Appendix A. References will be used to verify the technical proposals put forward in the Tender and will not be scored. Connect and SHG reserve the right to seek references from any of the Tenderer's customers whether or not the Tenderer has listed such customers as referees.

### **Clarifications about the contents of the Tenders**

- 3.12. The Procurement Team reserves the right (but shall not be obliged) to seek clarification of any aspect of a Tenderer's Tender during the evaluation phase where necessary for the purposes of carrying out a fair evaluation. Tenderers are asked to respond to such requests promptly. Vague or ambiguous answers are likely to score poorly.

### **Description of the Evaluation Process**

- 3.13. Connect and SHG will use a multi-stage evaluation process to review and evaluate proposals and to select the preferred resources. To proceed through each stage of the evaluation process, a proposal must meet established criteria. These are pass/fail criteria and then scored criteria.

### **Contract award**

- 3.14. The Company will award one PPA contract on the basis of the award criteria detailed within this RFP. Tenders will only be evaluated on the basis of information received from the Tenderer that is submitted as part of the Tender.
- 3.15. Once the Evaluation Panel have reached a decision in respect of a contract award, it will notify all Tenderers of that decision before entering into any contract.
- 3.16. Contract award is subject to the formal approval process of the Company. Until all necessary approvals are obtained no Contract will be entered into.

### **Confidentiality**

- 3.17. Tenderers must clearly identify all confidential information in their Proposals. However, Tenderers should take care to designate as confidential only those portions of their Proposals that genuinely warrant confidential treatment. Connect and SHG discourages

the practice of marking each and every page of a Proposal as "confidential." Connect and SHG will make reasonable efforts to protect any such information that is clearly marked.

**Modification or Cancellation of the RFP and Expression Process**

- 3.18. The Procurement Team reserves the right to request additional information from Tenderers at any time during the process. Tenderers that are not responsive to such information requests may be eliminated from further consideration. Unless otherwise expressly prohibited, SHG and Connect may, at any time up to final award, postpone, withdraw and/or cancel this RFP; alter, extend or cancel any due date; and/or, alter, amend, withdraw and/or cancel any requirement, term or condition of this RFP, any and all of which shall be without any liability to SHG or Connect.

**Organisation of the Proposal**

- 3.19. The contents of the proposal should be organised in the following chapters:

1. Response Form (Appendix A)
2. Executive Summary
3. Response to Pass/Fail Questions (include evidence where applicable)
4. Price Proposal
5. Project Schedule (Mobilisation/Critical Path)
6. Proposal including details of:
  1. Technology proposed;
  2. Energy Generation profile (including an outline of the likely mix of renewable generation that would be installed and approximate peak load (kW) and likely energy yields from each technology)
  3. Storage Capacity (including details of the energy storage system(s) proposed, including useful life and disposal requirements);
  4. Project Operational Requirements and Required Interconnection Technical Information;
  5. Reliability of Resource; Forecasted Availability, Scheduled Energy Capability, and Dispatchability (Indicate likely SCADA system coverage and functionality, if applicable. Include details of how frequency and voltage stability would be maintained with the equipment proposed. Also include details of how and where inverters would be used in the power system and indicate typical ratings and redundancy configurations);
  6. Environmental impact and mitigation (to also include an estimate of potential tonnes of carbon saved by the scheme compared to diesel generated electricity);
  7. Siting/land space required.

7. Support Capability, Operational and Maintenance Schedule
8. Proposed Team and Project Examples
9. Quality Assurance Process
10. Health & Safety Qualification, Knowledge and Experience
11. Risk Register; anticipated risks with likelihood and severity rating and mitigation solutions.

Please number your chapters using the numbers listed above.

### **Assumptions**

3.20. The following can be assumed;

- That the provider will design, build, finance, operate, decommission and remediate the project/assets, although other models could be considered through a variant bid.
- That SHG will lease land on a peppercorn basis (£1 per annum) should it be required for the duration of the contract
- The reduction in unit cost for producing energy will be realised and passed on to the consumer
- The provider will provide ongoing technical support.
- 5% customs duty is payable on renewable storage systems as set out in the Customs Ordinance<sup>6</sup>.
- Corporation tax in St Helena is as set out in the Income Tax Ordinance<sup>7</sup>
- Future inflation should be taken into account within pricing.
- All prices should be reported in GBP; foreign exchange risk is to be borne by the provider.

### **Risks**

3.21. The following risks will need to be mitigated;

- Logistics
- Remote nature of St Helena
- Topography
- Geology

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<sup>6</sup> <http://www.sainthelena.gov.sh/wp-content/uploads/2013/01/145-Customs-Ordinance-310712-5.pdf>

<sup>7</sup> <http://www.sainthelena.gov.sh/wp-content/uploads/2013/01/Income-Tax-Ordinance-1.pdf>  
Tax return forms are available at <http://www.sainthelena.gov.sh/forms/>



- Available expertise on the Island

#### **4. Evaluation Process and Evaluation Criteria**

##### **Bid Evaluation and Selection Process**

- 4.1. Connect and SHG will be employing a closed bidding process.
- 4.2. Once the proposals are received, the proposals will be subject to a consistent and defined review, evaluation and selection process. This Chapter will provide a detailed description of each stage of the process along with the requirements of Tenderers at each stage. To be eligible to proceed through each stage of the process, Tenderers must meet the specified minimum requirements as outlined below.

##### **Pass/Fail Criteria**

- 4.3. Each proposal will be reviewed to ensure that it meets the Pass/Fail Criteria under this RFP. All proposals must meet the following Pass/Fail Criteria. Failure to meet any of these requirements could lead to disqualification of the proposal from further review and evaluation.
  1. The proposal must be received on time. Proposals received after the established due date will be subject to disqualification.
  2. The proposal must ensure St Helena has less reliance on fossil fuels through the use of Solar, Wind, Anaerobic Digestion or Biofuels or other renewable energy source which generates electricity.
  3. The proposal must meet the minimum bid size of 2 MW of capacity within 24 months of operation and 5 MW within 15 years of operation.
  4. The proposal must not exceed 15 MW of capacity<sup>8</sup>.
  5. The solution should plan to begin operation in 2017, 2018 or 2019.
  6. There should be no upfront costs to Connect or SHG.
  7. The provider must agree to purchase, deliver, and maintain assets needed to deliver the contract and decommission assets at the end of the lifetime and restore the environment to the original condition.
  8. The average cost per unit of electricity over the lifetime of the project should be less than £0.12 per kWh.
  9. The provider's solution should include battery storage, to provide a stable supply.
  10. The Tenderer, its affiliated companies, and/or its partners must have experience in the development and operation of at least one Independent Power Producer (IPP) project involving the proposed Renewable Energy Sources (RES) with capacity larger than 1 MW similar to the project being proposed (in a remote or island setting). The

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<sup>8</sup> However, provision of between 5MW and 10MW is most desirable.

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Tenderer must have experience successfully owning and operating RES IPP projects, and integrating new RES plants larger than 1 MW into existing electricity networks.

11. Tenderers should be able to provide evidence that their recommended technology is commercially available or demonstrated to be feasible in commercial operations by providing examples of cases where such a technology has been successfully utilised.
12. No proposals from SHG affiliates or subsidiaries will be eligible.
13. Tenderer's company financial position must be positive; the company's financial statements for the last three years should be provided and relevant parent company guarantees provided. Minimum annual turnover and net asset value should be provided. Financial costs should be underpinned with indicative quotes from lenders.
14. Tenderer must agree to put in place professional Insurance Coverage for the project for the lifetime of the contract.
15. Failure to provide all requested information may be cause for disqualification.

### **Scoring and Weighting Evaluation**

- 4.4. Proposals that meet the Pass/Fail Criteria will be subject to a scoring/weighting evaluation. The results of the analysis will be a relative ranking of all proposals. Pricing related criteria are weighted higher than non-pricing criteria.
- 4.5. It is the Tenderers responsibility to ensure that Tenders contain sufficient information to allow a complete evaluation to be conducted.
- 4.6. The Award Criteria is:
  - 60% price
  - 40% technical specification/quality
- 4.7. Scores are arrived at following the application of the Evaluation Criteria set out below to the Tenderer's Tender.

### **Price Evaluation Criteria**

- 4.8. Proposals must be expressed exclusively in Pounds Sterling. The prices for the Contract are fixed and not subject to revision unless specifically provided for in the contract.
- 4.9. The price evaluation will be based on the total net cost to the utility of purchasing the renewable energy from the Tenderer at the Tenderer's proposed price. The price evaluation will be based upon:
  - A. 100% The price of the energy to be purchased as a product of the bid price (£/kWh) based on the generation profile submitted by the Tenderer (including costs up to the Grid Connection Point and transmission system and distribution system upgrade costs beyond the Grid Connection Point);
- 4.10. If the price to the Company varies over the lifetime of the contract, the average price over the entire project will be primarily used for scoring. However, if costs to the Company are

significantly frontloaded, the panel reserves the right to mark the Tenderer down on this criterion.

- 4.11. There should be no additional operating cost incurred by Connect as a result of the project.
- 4.12. A detailed schedule showing the cost components of the project (including the Tenderer's expected profit margin and finance costs) should be submitted.
- 4.13. Connect reserves the right to adjust Tenderers estimates for interconnection costs if estimates provided by Tenderers are determined by Connect to be incorrect or deficient and will use its estimate in its cost evaluation.
- 4.14. Tenderers' projects will be ranked from lowest to highest net £/kWh cost for each cost component described above. The lowest cost bid will receive a score of 10. All other bids will be compared against that bid, attracting a pro-rated score against that bid. Where a bid price is 100% or greater than the lowest price, the score for this criterion will be zero.

#### **Technical/Quality Evaluation Criteria**

- 4.15. The Technical/Quality evaluation is designed to assess the likelihood of a project coming to fruition based on various factors critical to successful project development. The status of development as well as the likelihood of timely project completion will be evaluated. The objectives of the criteria within this category are to provide an indication of the feasibility and viability of each project and the likelihood of meeting the proposed commercial operation date. Connect prefers proposals from Tenderers that can demonstrate based on the current status of project development and past experience that the project will likely be successfully developed as proposed.
- 4.16. The Technical/Quality evaluation of the Tender will consider;
  - 10% Timetable/mobilisation/critical path- Lead times to mobilise the operation and integration with Connect to fully functioning performance delivery. Realistic timescales will meet expectations.
  - 40% The Proposal Understands and Meets the Client's Requirements in that there must be;
    1. Technology proposed which is proven;
    2. An energy generation profile which moves towards helping St Helena meet the renewable energy targets, as set out in the Energy Strategy, in a timely manner (more points will be provided if the proposal propels us to 100% of electricity needs by 2022 through renewable energy);
    3. Suitable storage capacity developed for renewable electricity harvested (more points will be awarded if the Tenderer provides a demand/generation analysis and demonstrates that the proposed storage capability would allow the Company to decommission the diesel generator which is currently used);
    4. Suitable project operational requirements and required interconnection needs (more points will be awarded where there is no additional cost to Connect to integrate the renewable energy into the grid);

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5. Reliability of resource; the Tenderer should provide forecasted availability, scheduled energy capability, and dispatchability;
  6. Reduction of carbon emissions compared to diesel generation, no significant environmental impact and mitigation measures are proposed where appropriate (more points will be awarded where there is no negative environmental impact); and
  7. Maximum use of land space<sup>9</sup> to reduce project footprint (which should be outlined in the siting section of the proposal); (more points will be awarded when MW/m<sup>3</sup> of land information is provided and this information is comparatively favourable);
- 5% The Proposal evidences the support capability to maintain the effectiveness of the proposal and a proposed operational and maintenance schedule. Bids which include provision of training and employment of St Helenians are desirable, if possible.
  - 30% The Proposed Team can evidence Professional Qualifications and their suitability for this project together with the organisation's programme/project management and cost management capability. The team shows evidence of previous delivery of such a project with relevant examples. More points will be awarded if where there is broad evidence of delivering similar projects at an island wide level.
  - 5% Evidence of the organisation's Quality Assurance Process, Management arrangements for performing contract responsibilities- systems/ monitoring.
  - 5% Evidence of Health & Safety Qualification, Knowledge and Experience.
  - 5% Risk Register including a comprehensive set of risks with likelihood and severity scores and mitigation actions.

**Scores used for technical evaluation**

4.17. The technical evaluation will be scored in accordance with the table below.

<b>SCORE</b>	<b>MEANING</b>
0	Absent
1	Very weak – almost completely unacceptable
2	Weak – well below expectations
3	Poor – below expectations
4	Slightly below expectations
5	Meets expectations

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<sup>9</sup> Maps/GIS layers of the island can be requested from the Procurement Team.

6	Slightly exceeds expectations
7	Good – above expectations
8	Very good – well above expectations
9	Excellent – significantly above expectations
10	Outstanding

- 4.18. Any bid which scores below a 5 on any of the criteria can be discounted by the Evaluation Panel.

**Variant Bids**

- 4.19. Each Tenderer may submit one or multiple Tenders and may ask the Company to consider variants to the specification. Variant bids will only be accepted alongside a compliant bid. This is so compliant bids can be compared like for like during evaluation.

**Selection of the Initial Short List**

- 4.20. The specific evaluation process followed under the Short List Selection Process will depend on the number of proposals received. Proposals will be evaluated relative to one another using pass/fail, price and non-price criteria identified above.
- 4.21. Tenderers will be notified of the outcome of the shortlisting exercise by email.

**Interview**

- 4.22. Bids selected for the short list will be subject to an interview via teleconference to better allow the Company to understand the Tenderer's proposal and the status of the project. Prior to this meeting, there will be the opportunity for Tenderers to submit questions to the Procurement Team.

**Best and Final Offer**

- 4.23. The Tenderers will thereafter present a Best and Final Offer proposal for the Evaluation Panel to evaluate. The Best and Final Offer should be submitted as an annex to the original proposal and/or a copy of the original proposal including tracked changes.

**Selection of the Preferred Tenderer**

- 4.24. Based on the results of the detailed evaluation and review a Preferred Tenderer will be selected to begin contract negotiations. All Tenderers will be notified at this stage of the evaluation process whether their proposal is the Preferred Bid. However, proposal evaluation results and rankings will not be disclosed to the Tenderers.

**Contract Negotiation Process**

- 4.25. The Tenderer selected as the Preferred Tenderer will be required to indicate in writing to the Procurement Team whether they intend to proceed with their proposals within 5 business days of being notified of the intent to enter into contract negotiations. Connect will focus on negotiations first with the highest ranked proposal sufficient to meet the

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objectives of the RFP. If negotiations with this Tenderer indicate that Connect is unlikely to successfully negotiate acceptable terms with this Tenderer within the period allotted for negotiations, Connect reserves the right to put negotiations on hold with the Tenderer and focus on negotiations with a lower ranked Tenderer.

## **5. General Information to Tenderers**

### **Communication with SHG Staff**

- 5.1. No direct dialogue shall be made with any SHG or Connect employee about issues related to the tender process other than the Procurement Team, particularly those employees who are involved in the tender evaluation. Any requests for information shall be submitted to the Procurement Team at [CorporateProcurement@sainthelena.gov.sh](mailto:CorporateProcurement@sainthelena.gov.sh).

### **Consortia and subcontractors**

- 5.2. The Company requires all Tenderers to identify whether and which subcontracting or consortium arrangements apply in the case of their Tender and precisely which entity they propose to be the provider of the Goods.
- 5.3. For the purposes of this RFP, the following terms apply:
- Consortium arrangement. Groups of companies come together specifically for the purpose of bidding for appointment as the Service Provider and envisage that they will establish a special purpose vehicle as the prime contracting party with the Company.
  - Subcontracting arrangement. Groups of companies come together specifically for the purpose of bidding for appointment as the Service Provider, but envisage that one of their number will be the Service Provider, the remaining members of that group will be subcontractors to the Service Provider.

### **Warnings and disclaimers**

- 5.4. While the information contained in this RFP is believed to be correct at the time of issue, neither SHG, Connect, its advisors, nor any other awarding authorities will accept any liability for its accuracy, adequacy or completeness, nor will any express or implied warranty be given. This exclusion extends to liability in relation to any statement, opinion or conclusion contained in or any omission from, this RFP (including its appendices) and in respect of any other written or oral communication transmitted (or otherwise made available) to any Tenderer. This exclusion does not extend to any fraudulent misrepresentation made by or on behalf of SHG or Connect.
- 5.5. If a Tenderer proposes to enter into a Contract with the Company, it must rely on its own enquiries and on the terms and conditions set out in the PPA contract(s) (as and when finally executed), subject to the limitations and restrictions specified in it.
- 5.6. Neither the issue of this RFP, nor any of the information presented in it, should be regarded as a commitment or representation on the part of SHG or Connect (or any other person) to enter into a contractual arrangement.

### **Confidentiality**

- 5.7. This RFP is made available on condition that its contents are not copied, reproduced, distributed or passed to any other person at any time, except for the purpose of enabling the Tenderer to submit a Tender.



- 5.8. Tenderers should be aware that, in compliance with existing or future transparency obligations, SHG and Connect may routinely publish details of its contract(s), including the contract values and the identities of its suppliers on its website and elsewhere.

**Publicity**

- 5.9. No publicity regarding the Services or the award of any Contract will be permitted unless and until the Procurement Team has given express written consent to the relevant communication. For example, no statements may be made to the media regarding the nature of any Tender, its contents or any proposals relating to it (including information on who is bidding) without the prior written consent of the Procurement Team.

**Tenderer conduct and conflicts of interest**

- 5.10. Any attempt by Tenderers or their advisors to influence the contract award process in any way may result in the Tenderer being disqualified. Specifically, Tenderers shall not directly or indirectly at any time:
- Devise or amend the content of their Tender in accordance with any agreement or arrangement with any other person, other than in good faith with a person who is a proposed partner, supplier, consortium member or provider of finance.
  - Enter into any agreement or arrangement with any other person as to the form or content of any other Tender, or offer to pay any sum of money or valuable consideration to any person to effect changes to the form or content of any other Tender.
  - Enter into any agreement or arrangement with any other person that has the effect of prohibiting or excluding that person from submitting a Tender.
  - Canvass the Company or any employees or agents of the Company in relation to this procurement.
  - Attempt to obtain information from any of the employees or agents of the Company or their advisors concerning another Tenderer or Tender.
- 5.11. Tenderers are responsible for ensuring that no conflicts of interest exist between the Tenderer and its advisors, and the Company and its advisors. Any Tenderer who fails to comply with this requirement may be disqualified from the procurement at the discretion of the Company.

**Connect and SHG's rights**

- 5.12. Connect and SHG reserves the right to:
- Waive or change the requirements of this RFP from time to time without prior (or any) notice being given.
  - Seek clarification or documents in respect of a Tenderer's submission.
  - Disqualify any Tenderer that does not submit a compliant Tender in accordance with the instructions in this RFP.

- Disqualify any Tenderer that is guilty of serious misrepresentation in relation to its Tender or expression of interest.
- Disqualify any Tenderer following a material change in the matters raised in the tender response.
- Withdraw this RFP at any time, or to re-invite Tenders on the same or any alternative basis.
- Choose not to award any Contract as a result of the current procurement process.
- Make whatever changes it sees fit to the Timetable, structure or content of the procurement process, depending on approvals processes or for any other reason.

#### **Period during which Tenders are binding**

- 5.13. Businesses are bound by their tenders for 180 calendar days after the deadline for the submission of tenders. In exceptional cases, before the period of validity expires, the Contracting Company may ask Businesses to extend the period for a specific number of days.

#### **Alteration or Withdrawal of Tenders**

- 5.14. Businesses may alter or withdraw their tenders by written notification prior to the deadline for submission of tenders. No tender may be altered after this deadline. Any addition to or alteration of tenders by shortlisted bidders during the Best and Final Offer Stage should be submitted as an additional annex to the bid already submitted.

#### **Ownership of Tenders**

- 5.15. The Company retains ownership of all tenders received under this tendering procedure. Consequently, Businesses have no right to have their tenders returned to them.

#### **Cancellation of the Tender Procedure**

- 5.16. In the event of cancellation of the tender procedure, Businesses will be notified in writing of the cancellation by the Procurement Team and informed of the reasons for cancellation. Cancellation may occur where:
- the tender procedure has been unsuccessful, i.e. no qualitatively or financially worthwhile tender has been received or there is no response at all;
  - the economic or technical data of the project have been fundamentally altered;
  - exceptional circumstances or force majeure render normal performance of the contract impossible;
  - all technically compliant tenders exceed the financial resources available;
  - there have been irregularities in the procedure, in particular where these have prevented fair competition.

#### **Bid costs**

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- 5.17. Connect and SHG will not, under any circumstances, be liable for any bid costs, expenditure, work or effort incurred by a Tenderer in proceeding with or participating in this procurement, including if the procurement process is terminated or amended by SHG or Connect.

**Appendix A – Response Form**

This is provided as a separate Microsoft Word attachment.