



BEAUFORT WEST MUNICIPALITY

CLOSING DATE: 27 FEBRUARY 2009

CLOSING TIME: 12:00

**BEAUFORT WEST MUNICIPALITY FOR  
BEAUFORT WEST ENERGY IPP ( PTY) LTD**

**Request for Proposal  
Renewable Energy Generation Facilities  
2009**

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## **I. Introduction**

### **A. Summary of Request for Proposals**

Beaufort West Municipality for Beaufort West Energy IPP requests proposals for Renewable energy projects of 0.5MW- 80MW using any proven technology, to alleviate the energy constraints in Beaufort West. IPP. Any proposal bigger than 10 MW will be governed by NERSA's REFIT. Facilities proposed under this RFP must be in service by January 1, 2011, and existing facilities must have entered service as from January 1, 2010.

### **B. Background**

Beaufort West Municipality is the Electricity Service Provider under licence from the National Electricity Regulator of South Africa and provides electricity, to about 30 000 people.

Beaufort West Municipality purchases all its energy from ESKOM and the accumulative maximum demand is in the region of 20 MW, which is supplied at voltages of 132KV and 22KV, at 2 metering points.

### **C. Location Preferences**

Beaufort West Municipality will consider proposals within the following locations, and in the following order of preference;

1. Beaufort West Municipality' electricity licenced area of jurisdiction
2. Outside Beaufort West Municipality licenced area, but within the Eden/Central Karoo Shared Services area.

### **D. Reservation of Rights**

Beaufort West Municipality reserves the right, without qualification and in its sole discretion, to reject any and/or all proposals or to waive any informality, technicality or deficiency in proposals received.

Beaufort West Municipality reserves the right to consider proposals or alternatives outside of this solicitation, in its sole discretion, to satisfy its capacity and energy needs.

In addition, Beaufort West Municipality reserves the right, in its sole discretion, to modify or waive any of the criteria contained herein and/or the process described here in.

Those who submit proposals agree to do so without recourse against Beaufort West Municipality for either rejection or failure to execute a contract for any reason.

### ***E. Confidentiality***

Beaufort West Municipality shall consider materials provided by BIDDER in response to this RFP to be confidential only if such materials are clearly designated as “Confidential.” Bidders should be aware that their proposals, even if marked “Confidential”, may be subject to discovery and disclosure in regulatory or judicial proceedings that may or may not be initiated by Beaufort West Municipality. Bidders may be required to justify the requested confidential treatment under the provisions of a protective order issued in such proceedings. If required by any order of an agency or court of competent jurisdiction, Beaufort West Municipality may produce the material in response to such order without prior consultation with the Bidder.

### ***F. Supplier Diversity***

It is the policy of Beaufort West Municipality to encourage our contractors/suppliers to subcontract with minority and women-owned businesses for products and services rendered, to the maximum extent practicable, in the performance of our contracts. In addition to low cost and other business considerations, Beaufort West Municipality may elect to enter into a contract(s) based upon the Bidder maintaining an acceptable level of minority and women-owned business participation. Bidder who subcontract work to minority and women-owned/operated businesses or use such businesses to provide products and services incidental to their business will be viewed as providing added value to their proposal. As such, the Bidder must agree to use its best efforts to give minority and women-owned business the maximum practicable opportunity to participate in the subcontracts it awards. The target goal for utilization of minority and women-owned business under the contract(s) to be awarded is 10%. If the Bidders’ documented past performance utilizing minority and/or women-owned business exceeds this goal, such documentation shall be submitted with the proposal. If awarded a contract(s), the Bidder will report on a monthly or quarterly basis the minority/women-owned business participation in the products and services provided to Beaufort West Municipality using a format to be provided by Beaufort West Municipality. For more information about this policy please see the following Beaufort West Municipality Preferential Procurement Policy link. <http://www.beaufortwestmun.co.za/>

## **II Summary of Key Activities**

### ***A. Process Schedule***

Responses to this RFP must be received by Beaufort West Municipality no later than 12:00 on Friday, February 27, 2009, at the address listed below.

Upon completion of the review process, Beaufort West Municipality will inform Bidders of the status of their proposal and will undertake further evaluation of facilities on the “shortlist,” which may ultimately result in successful contractual negotiations. We anticipate that review process will take at a minimum 1 months from the due date, up to a maximum of 4 months. All Bidders would be contacted regarding the results of this review within that time period.

***B. Submittals, Inquiries and Other Communication***

**TWO** copies of the proposal should be sent to the following address:

Beaufort West Municipality  
Attention: Roelof van Staden  
Private Bag 582  
Beaufort West, 6790

***C. Proposal Submittal***

To ensure consideration, proposals should conform to the format described in Section IV of this RFP. All costs associated with development of the proposal shall be borne by the Bidder.

### **III. General Information**

#### ***General Requirements***

Beaufort West Municipality is requesting proposals for Renewable energy projects from 0.5MW to 80MW for electricity generation in the Beaufort West area . Multiple projects submitted by one or more Bidder may be aggregated to achieve the 80 megawatts of supply.

The Bidder will fund the entire project and thereafter will negotiate a power purchase agreement (PPA) with the Beaufort West, Nersa's REFIT and other developers in the area.

The Bidder will be responsible for all costs to interconnect with the distribution or transmission system (as applicable), including the cost of any distribution system upgrades in the event the facility connects to the grid at sub-transmission voltages.

#### ***B. Regulatory Compliance and Environmental Requirements***

All Bidders are responsible for the acquisition of necessary Government, and local approvals, licenses, permits or variances, and the specific requirements for the construction and/or operation of the renewable electric generation facility(s).

Beaufort West Municipality will only consider Bidders who demonstrate that their facilities are sited in an environmentally responsible and compliant manner, in compliance with applicable local and governmental laws and regulations, and document a secured fuel supply.

### **IV. Proposal Format and Content**

**A. Proposal Format**

For ease of review and evaluation, all proposals should be prepared in accordance with the following format. Beaufort West Municipality reserves the right to disregard proposals that do not comply with this instruction.

Proposals should be organized by Sections and Exhibits in the order described below. Pages are limited to 8 1/2" x 11" with one (1) inch margins on the top, bottom and sides. The text is to be typed or written neatly in black ink. Typed text should be no smaller than 12-point font. Each page of the proposal should have the following information in the top right corner:

Beaufort West Municipality – 2009 Renewable Energy Proposal  
Bidder: \_\_\_\_\_  
Project: \_\_\_\_\_

Page   #   of   #  

Each exhibit included with the proposal should have the following information in the top right corner.

Beaufort West Municipality – 2009 Renewable Energy Proposal, Exhibit #  
Bidder: \_\_\_\_\_  
Project: \_\_\_\_\_  
Page   #   of   #  

**B. Proposal Content**

Each proposal shall contain the following sections and the contents as described below. If the proposal includes generation located at multiple sites, then each location should be described as a separate project. Some of this information must also be included in Exhibits 1 through 5 to be placed at the end of the proposal.

**Section 1 - Executive Summary**

The Executive Summary section should provide an overall description of the facility, including key features. It should include a general description of the location, business arrangement and financing of the facility. If the proposal includes multiple locations, or substantially different renewable energy generation systems, each should be described as a separate project.

**Section 2 - Project Description**

This section should include a detailed description of the project, including:

- Generation equipment description,
  - Timing of in-service dates and overall project schedule
  - Description of fuel type and source,
  - Location of project and site description,
  - Economic and Energy analysis, including fuel cost assumptions, output, station power and efficiency data, and
  - Local community siting issues.
  - Status of permits and approvals acquired and yet to be acquired
- Facility operations and management plan

These are discussed in more detail below:

**Generation Equipment Description:** Describe the proposed renewable energy Generation equipment and how it must be operated and maintained. The information should include the plant name, installed capacity, manufacturer, model of the prime mover and electric generator, O&M warranties, O&M projections, and any other relevant equipment information.

**Description of fuel type and source:** Describe the type of fuel to be used in the facility, the quantity of fuel required over the a typical operating year, the source of the fuel, the energy value/content of the fuel, and methods of securing the fuel supply over the lifetime of the facility.

**Location of Project and Site Description:** Provide details on where the facility will be located. For evaluation purposes, strong preference will be given to facilities that are within the Beaufort West Municipality(BWM) electricity licenced area. Provide the full name of the registered title holder of the project site.

**Energy Analysis:** Based upon site specific energy production and equipment performance specifications, include an initial study of the energy production from the facility covering the bulleted items below along with all assumptions made to conduct the analysis. The basis for the energy production projections should include:

- A projection of gross monthly and annual energy production
- A calculation of energy losses. All sources of losses considered should be listed and individually quantified with a basis for the quantification provided;
- A calculation of projected net energy output over the lifetime of the project;

**Local Community Siting Issues:** The Bidder should give a brief description of any plans for assessing local community siting issues. If there have been any efforts to address these issues, then provide a summary of these efforts.

### **Section 3 - Bidder's Qualifications**

This section should include, but not be limited to, the following information:

- Corporate/business structure, including primary and secondary businesses;
- Bidder's projects and independent power supply ventures participated in over the last ten years;
- At least one contact (name and phone number) for each power supply venture (for reference purposes);
- Description of any past, current or proposed litigation concerning power generation facilities and/or power supply agreements;
- Separate descriptions, as appropriate, for each member if there is a consortium or partnership of two or more firms and the relationship between the entities for this Proposal.

### **Section 4 - Financial Considerations**

The financial viability of any facility should be demonstrated to provide assurance that the Bidder, as well as any firm(s) involved in the facility, have adequate financial strength. Financial strength is an indicator of the likelihood that the Bidder is able to carry out the responsibilities of the supplier to develop and construct the renewable energy facility and that the renewable energy will be available as projected. Each Bidder must include the following financial information for each Bidder/entity involved in the facility:

- Current audited financial statements, including balance sheet, income statement, and statement of cash flows for each party (If audited financial statements are not available, a listing of assets, liabilities, profit and loss statement and cash flow must be provided); and
- Description of planned or future facility financing
- You may be required to provide security as part of this review process should your company enter into negotiations with MBM. Acceptable security includes: a guarantee from guarantor acceptable to MBM.

### **Section 5 - Contract Terms**

This section should detail the Proposal's pricing and timing:

- Price for the facility with list of all items included in price,
- Payment terms,
- Performance Guarantees,
- Date the facility will be in service,
- Anticipated amount of energy the facility will be capable of generating,
- Anticipated amount of energy to be delivered by month, for peak and off/peak periods,
- Anticipated minimum energy production,
- Anticipated peak output of facility (MW),
- Fuel Supply Guarantees,
- Resource studies; i.e. wind studies, insolation studies, biomass fuel availability assessment.  
Base energy rate on January 2010 rand terms.

### **Section 6 - Transmission Plans**

The proposal should include a description of the means of delivering the energy to the transmission system, including any distribution system related issues, if applicable. This should include the location, route and voltage level of the transmission and/or distribution facilities.

The Bidder is responsible for all costs involved in interconnecting with the local utility or transmission system, or to such point where energy can be delivered to BWM. In the event transmission studies are required, either to interconnect the facility to the electrical grid, or to transmit the energy from the facility to BWM, the Bidder will be responsible for those costs. Please outline the results of any contacts to date with the local utility or transmission provider concerning interconnection issues.

### **Section 7 - Regulatory and Environmental Compliance**

The Bidder is exclusively and entirely responsible for meeting and satisfying all local permits, licenses, approvals and/or variances required for the operation of the project. The proposal should provide a detailed plan indicating the necessary steps in the regulatory and environmental approval process and how the developer will address them.

### **Section 8 - Other Information**

This section provides the opportunity to describe other aspects of the proposal that may not fit into one of the above categories.

### **Section 9 - Exhibits**

Proposals will include the following exhibits:

Exhibit 1 - Project Technical Description

- If the proposal covers generation facilities located at multiple sites, a separate exhibit is needed for each site.
- If the proposal covers multiple types of generation equipment at a site, a separate exhibit is needed for each type of generation equipment.

Exhibit 2 - Proposer Qualifications

- If multiple companies or organizations are involved in the proposal, a separate exhibit must be filled out for each company and organization.

Exhibit 3 - Proposer Financial Information

- A separate exhibit is required for each company or organization involved in the proposal.

Exhibit 4 – Regulatory and Environmental Compliance

A separate exhibit is required for each facility in this proposal.

## V. Evaluation Process

BWM will assess all proposals to determine which, in BWM sole opinion, are economical, viable, and meet all specified requirements. The assessment will take into account both price and non-price factors. Upon completion of this assessment, BWM will create a short list of qualified projects and will begin more detailed evaluation process of the projects. Which will take at a minimum of 2 months and up to a maximum of 4 months.

All Bidders would be contacted regarding the results of this review within that time period.

Bidders who enter into preliminary discussions with BWM will be required to demonstrate the following:

- **Site Control:** The Bidder must demonstrate site control, by showing evidence of either site ownership, site lease, an option to purchase the site, or an option for a long-term lease.
- **Local Community Acceptance:** The Bidder must present a plan for determining local Community reaction to the project, and develop an action plan for working with the local community on project issues. The study should include the following elements:
  - A list of the references used to assess the community reaction, and the methodology used to draw study conclusions;
  - A list of key local contacts interviewed and their opinions;
  - An assessment of the local community reaction;
  - An action plan for working with the local community to successfully complete the project; and

- A description of the Bidder’s process for conflict resolution.
- Permits and Approvals; successfully demonstrate the ability to acquire all necessary local, state and Governmental permits and requirements necessary for operation of the facility.

The Commencement of negotiations between any potential Bidder and BWM does not create or imply any commitment by BWM to enter into an agreement with that Bidder.

### **Acronyms Used in This Document**

MWh	Megawatt-hour
MW	Megawatt
PPA	Power Purchase Agreement
RFP	Request For Proposal
ESKOM	Electricity Supply Kommissie
NERSA	National Electricity Regulator of South Africa
BWM	Beaufort West Municipality

**Appendices**

**EXHIBIT 1 - Project Technical Description**

**GENERATION**

Facility location (complete physical address): \_\_\_\_\_

\_\_\_\_\_

Manufacturer of prime mover and generator: \_\_\_\_\_

Name plate capacity of project in megawatts (MW), or maximum: \_\_\_\_\_

If a contract were signed in early to mid 2009, what would be the anticipated in-service date of the facility?

\_\_\_\_\_  
\_\_\_\_\_

**FACILITY TRANSMISSION**

Provide a description of the transmission plan and any upgrades or interconnection agreements required for facility operations. For existing facilities, summarize current interconnection agreements and interconnection equipment.

**FACILITY OPERATIONS AND MAINTENANCE**

Provide a description of the facility operations and maintenance plan or describe current operations and maintenance activities.

Bidder: \_\_\_\_\_

Project: \_\_\_\_\_

**EXHIBIT 2 - Proposer Qualifications**

**Organization name:** \_\_\_\_\_

**Type of firm (circle one):** Corporation, Sole Proprietor, Partnership, Other (Describe below) \_\_\_\_\_

If incorporated, State of incorporation: \_\_\_\_\_ Date of incorporation: \_\_\_\_\_

**Parent Corporation or Other Affiliates:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Type of Relationship: \_\_\_\_\_

Current Unsecured Debt Rating: \_\_\_\_\_

**Address for mail delivery:**

**Address for courier delivery:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Primary and Secondary Contacts:**

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Fax: \_\_\_\_\_

**EXHIBIT 3 - Financial Information**

**Provide a description of facility financing arrangements** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Are there any past, current, threatened or proposed lawsuits related to your renewable energy resources, your facilities or your ability to construct the project and/or deliver power under the proposal?** \_\_\_\_\_

If yes, please explain: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**Has your company/organization or any of the principals ever declared bankruptcy?** \_\_\_\_\_

If yes, please explain: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**Please provide credit references:**

Institution: \_\_\_\_\_

Institution: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

Contact: \_\_\_\_\_

Contact: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Institution: \_\_\_\_\_

Institution: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

Contact: \_\_\_\_\_

Contact: \_\_\_\_\_

Phone Number: \_\_\_\_\_

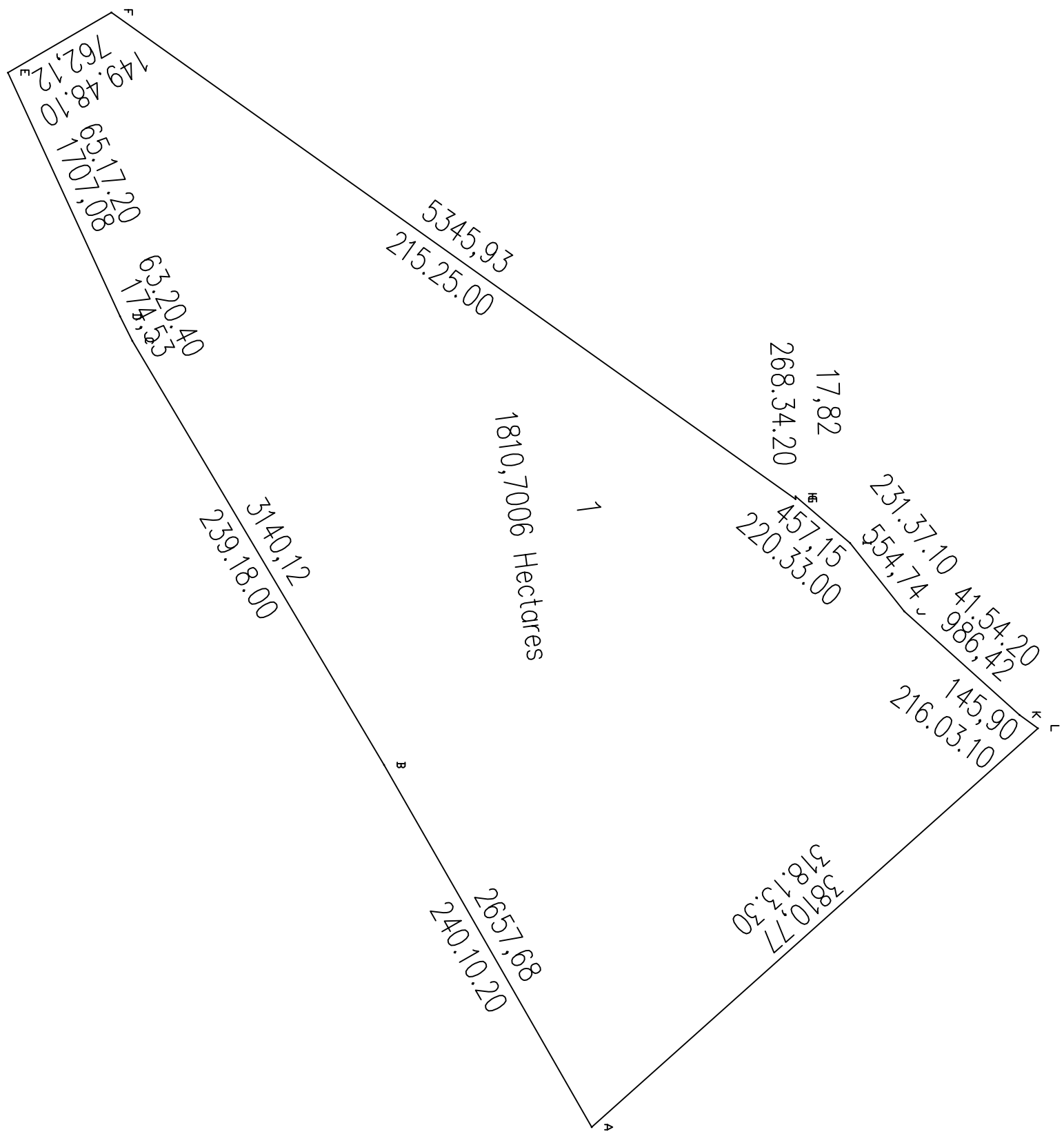
Phone Number: \_\_\_\_\_

Provide a copy of your most recent audited financial statements including balance sheet, income statement and statement of cash flows (if unavailable, please provide a current listing of assets, liabilities

and cash flow and a current profit and loss statement that is closely related to the operations of your renewable energy facility(s).







1810,7006 Hectares

5345,93  
215.25.00

17,82  
268.34.20

231.37.10 41.54.20  
554,74 986,42  
145,90  
216.03.10

3810,77  
378,13.30

2657,68  
240.10.20

3140,12  
239.18.00

63.20.40  
114,53

149.48.10 65.17.20  
762,12