



Request For Proposal Overview

RFP79057

Puerto Rico Electric Power Authority

Electrical Power Solutions for Vieques and Culebra Islands



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Overview

1.1 Business Description

The Puerto Rico Electric Power Authority (PREPA), is a public corporation and governmental entity of the Commonwealth of Puerto Rico, created pursuant Law 83 of May 2, 1941, as amended, with the duty of providing electric power in a reliable manner, contributing to the general welfare and the sustainable future of Puerto Rico, maximizing the benefits and minimizing the social, environmental and economic impacts.

PREPA is a government owned company, property of the Commonwealth of Puerto Rico, and is empowered to make contracts, sell / buy assets and real estate, borrow money and issue bonds. PREPA is also responsible for the establishment of an appropriate rate structure for its services.

PREPA's Objectives

- Reduce energy cost
- Promote smart energy consumption
- Protect the environment

Strategies to Achieve these Objectives

- Reduce operating expenses
- Increase efficiency
- Minimize Energy Theft
- Diversify Energy Sources
- Establish Smart Grid for energy control and consumption monitoring
- Maximize use of advanced technology

1.2 Scope of RFP

In 2017 hurricanes caused significant damage to the Puerto Rico Electric Power Authority (PREPA) transmission system. The 38 kV interconnection between the Main Island of Puerto Rico and Vieques is included within the damages. Reestablishing the normal source of power to the islands, via submarine connection, is not expected to occur for approximately four years.

In order to maintain the supply of electrical power during this interim period, PREPA is seeking a temporary long term solution to meet electricity demands for the municipality islands of Vieques and Culebra.

Although Vieques and Culebra are electrically isolated from the main island of Puerto Rico, there is an existing 38 kV submarine cable that connects these two islands. The distribution network on Culebra has been restored and electrical power is currently fed by 2 temporary 1.8MW US Army Corps of Engineers (USACE) generators which are located on the island.

Restoration of the distribution network on Vieques is nearing completion with electric power being provided to customers connected to the restored portion via PREPA's on-island generators. Prior to the hurricanes, the measured total coincident peak of the two islands was approximately 9.9 MW.

On Culebra, PREPA had begun installation of 3 permanent 2 MW units, however, construction was never completed. Efforts are currently underway to complete installation of these units. Commissioning is expected to take place in approximately 6 months to 9 months.

On Vieques, PREPA owns two permanently installed 3.3 MW diesel generator units which are both operable. These units, along with temporary generation units installed by the USACE on both islands, are currently



providing a portion of the electricity requirements for Vieques and Culebra. Adjacent to the 3.3 MW units is a bare third foundation which was installed during original construction for a future third generator.

PREPA is requesting all-inclusive, turnkey, lump sum proposals to furnish, install, and connect to the Vieques Island electrical grid at least 15 MW of safe, stable, and reliable 60hZ power. This system will also energize Culebra Island via the existing submarine cable from Vieques.

Diverse solutions such as new diesel generators, dual fuel capacity generators, renewable energy projects, power barge/ship lease, among others, may be proposed and will be evaluated by PREPA. All proposals with a completion time frame for the electric power solution of more than 180 days will not be considered. The proposed solution shall be compliant with US Environmental Protection Agency and Puerto Rico Environmental Quality Board requirements that include but are not limited to New Source Performance Standards and Hazardous Air Pollutant Standards. If the proposed project has any impact on local marine environment, the successful bidder shall ensure compliance with all Federal and local marine permitting requirements.

Proposed solutions shall be a complete and grid connected generating facility including everything required for long term operation. All units must be capable of synchronizing to the current electrical system and provide automatic load following services. Solution shall take all existing loads, including the naval pulse load (ROTHR Site), into consideration; the load for this facility has an intermittent short duration peak load (860kW). The units must be able to accommodate this load while maintaining system frequency and voltage. Land based proposals must include provision for PREPA to synchronize and dispatch the units both locally and remotely. Work shall include all labor, design, engineering, procurement of equipment and materials, obtain required permitting, construct, install, interconnect, tests, and commission.

If the supply and installation of generators is proposed, it shall include three (3) identical units rated for continuous, fulltime, multiyear use with a minimum total electrical output of 15MW, and the prime mover, if needed, shall operate at a speed of 900rpm or less. Cooling system, medium-voltage switchgear, speed/load control system, auxiliary equipment, battery banks, a black start system, a 15 MVA, 13.8/38 kV transformer, a 500 kVA, 480V/13.8 kV service transformer, and any other equipment needed to operate the units shall be part of the supplied package.

A separate, detailed proposal for operation and maintenance (O&M) of the system shall be provided. These services shall be all inclusive including furnishing spare parts and maintaining adequate inventory for a period of four (4) years, with options to extend in one-year increments.

1.3 Key Milestone Dates

Below is a schedule of the critical process milestones and dates. Proponents should carefully examine and make certain they have a clear understanding of the requirements of the specified initiative milestones and the associated dates.

Key Review Process Events	Targeted Timeline
Request for Proposal Issued	April 13, 2018
RFP Kick-off Meeting	April 19, 2018
Visit to the Job Site	April 20, 2018
Supplier Questions Deadline	April 25, 2018
Questions Answered	April 30, 2018
RFP Proposal Submission Deadline	May 4, 2018
RFP Short List Announcement*	May 8, 2018



Key Review Process Events	Targeted Timeline
RFP Short List Requests for Clarifications, Presentations, Updated Proposals and Negotiation Process Begins*	May 8-11, 2018
Evaluate Proposals & Conduct Supplier Final Negotiations*	May 11-16, 2018
Selection Notification*	May 23, 2018

*At PREPA's discretion

2 Proponent Instructions for Submitting Proposals in Response to RFP

If a Proponent has any questions or topics for clarification, they are asked to **submit them by 11:59 p.m. AST, April 25, 2018** via PowerAdvocate© through the following link:

<https://www.poweradvocate.com/messageCenter.do?okey=79057>. Verbal questions will NOT be accepted.

Requests for clarifications will be answered by posting answers at the referenced link; accordingly, questions shall NOT contain proprietary information. PREPA does not guarantee that questions received will be answered.

It is the sole responsibility of the potential proponent to monitor this site for additional information, updates and addenda concerning the RFP. This RFP may be amended by the publication of addenda.

- **All RFP submissions, inclusive of the pricing, discounts, and other requested details are to be submitted via PowerAdvocate© on or before 11:59 pm AST, May 4, 2018.**

This RFP shall not be construed as a commitment by PREPA. All proposals submitted in response to this RFP will become the property of PREPA and will not be returned.

PREPA reserves the right, at their sole discretion and without incurring any liability to any proposed provider, to modify or terminate this RFP at any time prior to the execution of a final contract, and to accept or reject any proposal for any reason.

2.1 Validity of Proposals

Proposals in response to this RFP shall indicate a validity of a **minimum of 120 calendar days** from the RFP submission date in order to facilitate the review of proposals and award of the contract. Proponents are advised that offers limiting the time of acceptance of the proposal to less than 120 calendar days after the deadline may be rejected. Expiration of the acceptance period of a proposal will not invalidate the Proponent's offer, unless expressly revoked in writing by the Proponent within ten (10) calendar days prior to the end of the time of the period for acceptance.

Proponents are requested to submit proposals on the exact requirements specified in these instructions and technical specifications.

Failure by the proponents to submit proposals strictly in accordance with the instructions to proponents may be cause for said proposal to be deemed unacceptable. Responsibility for failure to comply with these instructions shall not be waived because of proponent's ignorance of same.

Proponents must submit an accurately completed proposal by the due date specified above. Failure to submit a completed proposal by the due date may eliminate a proponent from participating in this competitive exercise.



Proposals may be withdrawn only upon written request received from proponents prior to the specified RFP Submission deadline via PowerAdvocate®.

2.2 Contract

If PREPA elects to award this Contract, the successful Proponent(s) will be notified at the earliest practical date using the Messaging tab provided in the PowerAdvocate® Sourcing Intelligence Platform and by certified mail.

It is intended that specific information including, but not limited to, schedules, Terms and Conditions, generating units, control, switchgear, and transformers specifications, certifications, etc., supplied with the proposal, will become part of the Contract.

Proponent's written acceptance of the PREPA Terms and Conditions and Special Conditions shall be a requirement to participating on the Contract. PREPA Terms and Conditions are included. PREPA may, at its discretion, modify its Terms and Conditions for this RFP.

2.3 PREPA Point of Contact

Proposals prepared for consideration in accordance with this RFP shall be submitted via PowerAdvocate®.

All questions and communication related to this RFP should be submitted using the Messaging Tab in PowerAdvocate® via: <https://www.poweradvocate.com/messageCenter.do?okey=79057>. The Procurement Representatives designated as points of contacts for this RFP are:

Edgardo Díaz
Delis T. Zambrana

2.4 Proponent Confidentiality

Throughout this RFP process and during subsequent dialogue with PREPA or its agents, prospective proponents may submit or disclose information regarding existing service arrangements, proprietary technologies, subcontractor or third-party relationships, and other such information that may be confidential to the proponent or as to which proponent has confidential obligations. All information provided by proponents in connection with this RFP will be used solely for the purposes of evaluating and selecting a supplier. Proponents should specifically identify in writing all information that is considered confidential. Subject to appropriate guarantees of confidentiality, PREPA reserves the right to disclose any information provided by proponents in response to this RFP to PREPA employees and to any outside consultants and attorneys retained in connection with this matter.

All information supplied to Proponents by PREPA shall be kept confidential between the two parties. Proponent agrees to hold in confidence all confidential technical and proprietary information received from PREPA or its representatives.

Any exceptions to the above conditions require a written request from the Proponent to PREPA. Approved exceptions are only allowed upon written approval from PREPA.

2.5 Use of Information

All non-public information contained in this RFP and any supplemental information that may be disclosed during a subsequent evaluation and selection processes, including any information relating to the businesses (including Corporate locations, plants, offices, and all other proprietary information) of PREPA or its affiliates, or suppliers, obtained from any source as a result of this RFP shall be considered "Confidential Information". As such, this Confidential Information shall be protected and maintained in strict confidence by all recipients of this RFP. Confidential Information shall not be disclosed or allowed to be disclosed by



proponents, except for the sole purposes of responding to this RFP. In the event that there is disclosure of the Confidential Information to employees or authorized agents of the proponent necessary for response to this RFP, Confidential Information may be disclosed to them only on a need-to-know basis. The proponent shall make all of these persons aware of the confidentiality of such information and they will also be bound by the terms of this Section.

In no event shall this document, or any subsequent documents that may be made available in connection with this RFP, be copied, transcribed, or distributed whole or in part without the specific written authorization of PREPA. PREPA reserves the right to require the destruction of all such documents including extracts, summaries, and related notes.

If the proponent, through an authorized agent, provides an indication via PowerAdvocate® of their intent to compete in this process, this shall be deemed to be proponent's acceptance of the confidentiality requirements as stated in this document.

All Confidential Information shall be protected and not disclosed by proponents for a period of three (3) years from the date of this RFP.

2.6 Requests for Additional Information

PREPA will accept questions regarding clarification of the contents of the RFP from the time of receipt until April 25, 2018 at 11:59 p.m., AST (UTC-4).

Inquiries MUST be sent via PowerAdvocate®. All questions must include:

- A clear and concise question
- ***References to specific points within the document and section***

Answers to proponent inquiries will be posted on the Download tab in PowerAdvocate®'s event and available to all proponents, if it is determined the information clarifies the PREPA requirements. **Any verbal statements regarding this RFP by any persons shall be deemed unauthorized and may not be relied upon.**

2.7 Proposal Submissions

Proposals SHALL be received by May 4, 2018; by 11:59 p.m., AST. Proposals received after the deadline will not be accepted and shall be declared non-responsive. Therefore, be aware that all documents regarding your proposal are completely uploaded in the PowerAdvocate® event before the deadline.

If pricing for a service or item is submitted as a blank, and the proponent did not indicate that they do not understand the service or item description, it will be understood that the proponent cannot supply requirements for that specific service and does not intend to include the item as part of the Proposal.

If any subcontractors or partners will be providing services under the proposal, all subcontractors and/or partners MUST be clearly identified. The proponent submitting the proposal shall be responsible for carrying out the requirements described in the RFP and submitted to in their proposal. All proposals submitted in response to this RFP will become property of PREPA and will not be returned.

Proposals shall be termed to be under consideration immediately after the submission deadline. The proposals will remain sealed upon receipt. They will be available only to officials appointed by PREPA after the event deadline (close). No opening act will be held. While proposals are under consideration, proponents and their representatives, or other interested parties, are advised to refrain from contacting by any means any PREPA personnel on matters relative to the proposals under study, with the exception of the Purchasing Supervisor who, on his own initiative and, if necessary, will obtain clarification of a proposal or



proposals requesting such information from any or all proponents as the case requires, either in writing or in hearings with Proponent's representatives, as PREPA may choose.

2.8 Oral Presentations

Following a review of the proposals submitted and after the submission deadline, a number of selected proponents may be asked to provide further clarification through an oral presentation. **The presentations could be conducted via WebEx or at PREPA's corporate facilities.** Participating Proponents will be notified of their specific presentation date and time at least (1) calendar day prior to the requested meeting.

Proponents who have been requested to provide an oral presentation should prepare a Microsoft PowerPoint presentation summarizing the key elements of their proposal. The presentation must be sent via the Messaging tab in PowerAdvocate® 4 hours prior to the meeting. The primary purpose of the oral presentation is to allow selected proponents time to further explain and clarify their proposals. The presentations should last no more than 30 minutes, with an additional 30 minutes allowed for questions.

2.9 Insurance and Indemnification

Proponent shall provide a letter or Certificate of Insurance from their insurance company indicating insurability to meet the requirements of insurance identified on PowerAdvocate®'s Commercial Tab.

If your organization is chosen as a partner/provider, your organization will be required to procure and maintain insurance during the contract or agreement period. PREPA requires that the Proponent carry the insurances as per Article 20 of the Terms and Conditions document.

All required policies of insurance shall be in a form acceptable to PREPA and shall be issued only by insurance companies authorized to do business in Puerto Rico. The Contractor shall furnish a certificate of insurance in original signed by an authorized representative of the insurer in Puerto Rico, describing the coverage afforded.

Your proposal should make it clear that you have obtained or are capable of obtaining these insurances.

2.9.1 Bonds Requirements

If your organization is chosen as a partner/provider, PREPA requires that the Proponent carry the bonds as per Article 20 the Terms and Conditions document.

See the requirements for bonds submittals and acceptance on *PowerAdvocate®*'s Commercial tab.

2.10 Proponent's Costs

All costs for designing, preparing, and developing this RFP, including participation in meetings and site visits, are entirely the responsibility of the Proponent and shall not be chargeable to PREPA.

2.11 Errors and Omissions

If the Proponent discovers any ambiguity, conflict, discrepancy, omission or other error in this RFP, the proponent should immediately notify the Point of Contact (POC) of such error in writing via the Messaging tab in PowerAdvocate® and request clarification or modification of the document. This notification should be submitted to the POC and should follow the same guidelines as established for submitting questions above. Modifications, if necessary, will then be added on the Download Documents Tab and titled as addenda.

If a Proponent fails to notify the POC of a known error prior to the final dates of submission, or an error that reasonably should have been known, the Proponent will assume the risk of submitting a proposal. If



awarded the contract, the Proponent will not be entitled to additional compensation or time by reason of the error or its later correction.

2.12 News Releases

News releases pertaining to the award resulting from this RFP shall not be made without prior written approval in the form of a notification letter from PREPA via the Messaging tab in PowerAdvocate© and certified mail.

3 Selection Criteria

The selection process will focus on the following criteria and weighting percentages for proposal evaluations:

Minimum Requirements (Pass/Fail):

1. Schedule of Project Delivery:
 - Shall provide a proposed project schedule based on continuous work with key and critical tasks, including, but not limited to: design/engineering, fabrication of main equipment (indicate long-lead items), factory tests, delivery, installation, acceptance tests, permitting process, substantial completion, and final completion.
 - Schedules with a time frame of more than one hundred and eighty (180) calendar days for the substantial completion of the generation units phase (Phase I) and/or more than three hundred and ninety five (395) calendar days for the new 13.8/38kV transformer delivery and installation (Phase II) will be cause for said proposal to be deemed unacceptable
 - Shall submit a description of the proposed working plan, including working methods, logistics, list of resources (manpower and equipment), permitting process, and subcontractors.
2. Proposed System Reliability:
 - Shall submit a description of the system operation and the technical specification and data sheets of all major components: generator sets, control cabinets, switchgear components, transformers, housings, cooling system, etc.
 - Shall provide evidence that proposed system has the capacity to deliver power on coincident peaks on a continuous duty mode for a 4-year term, even after derating, if any.
 - Proponent shall submit manufacturer-recommended maintenance and parts (consumables and non-consumables) replacement schedule and itemized costs for a 4-year period of continuous operation. Traveling and lodging of technical personnel for such period of time shall be included.
 - Shall provide a description of the warranty period, with parts and services included.
 - Shall provide a written description of the technical support plan, including at least off-site monitoring capacity, time of response for emergencies, off- and on-site technical support time frame, and replacement parts availability on a timely basis for the power solution proposed.
3. Offeror's Experience:
 - Shall submit an abbreviated history of firm
 - Shall provide evidence of applicable past experience and performance in at least two related scope project within the past five years, and references.
 - Shall include evidence of proposed main equipment (generator sets, switchgear, controls, transformers, cooling system) manufacturers and subcontractors experience on similar projects
 - Shall provide qualifications and resumes of experienced key personnel (project manager, engineers, supervisors, etc.) with at least ten (10) years of experience in similar projects.
 - The names of the location where the Proponent or subcontractors have installed similar systems and the telephone number and name of the person to contact who knows the work of the offer.



4. Life Cycle Cost:

- The required information for the Life Cycle Cost Formula shall be submitted with the Proposal:
 - Proposal cost per unit (total cost of Proposal, minus the cost of the 13.8/38kV transformer, divided by the number of units)
 - 13.8/38kV transformer cost (if applies)
 - All transformers losses
 - Fuel consumption per year to provide 8 MW of continuous power
 - Maintenance and parts replacement cost for a 4-year span of continuous use
 - 4-year long-term maintenance contract cost

5. Financial Capacity:

- Must have access to strong working capital to enable the projected payment terms of this contract. To demonstrate this ability, Proponents shall provide at least two positive references for a prior/current engagement of a single contract size of not less than \$5 million below its proposal.
- Proponent must be able to provide the following:
 - a. Audited financial statements of 2015-2016
 - b. Cash flow for the previous two quarters

6. Understanding of the project:

- Proponent shall present the outline drawings showing general arrangement of systems and approximate dimensions of equipment and materials proposed.
- Proponent shall present with the proposal a certification signed and sealed by a professional engineer (structural engineer) stating that the existing concrete base structure has the capacity to withstand the loads applied by the equipment proposed and the necessary dimensions. If not, Proponent shall include a description of the solution to this matter.

7. Permitting

- Shall submit a list of local and federal permits required to fully operate the proposed solution, including estimated time for permits issuance from the government agencies (environmental and non-environmental)
- Provide previous experience with the fulfillment of environmental permits

8. Cost:

- Proponent shall submit a list of equipment and tasks prices as per Section 1.4.B.j of the Special Conditions.

PREPA may reserve the right to require additional or omitted information after the proposals' due date. Proponents shall provide such information in three calendar days after PREPA's notification.

Grading Criteria:

- **Quantitative Factors – [75%]**
 - Pricing and Life Cycle Cost (55%)
 - Pricing competitiveness
 - Discount proposals
 - Proposal Coverage (20%)
 - Preliminary Schedule and Method Description
 - Promptness to deliver a complete power solution



- **Qualitative Factors – [25%]**
 - Background and Financial Information (10%)
 - Feedback from provided references
 - Company financial strength (financial statements)
 - Proponent should be able to provide the following:
 - 2 years of audited financial statements (2015-2016)
 - Company reputation – Previous success executing similar works
 - Project Management (10%)
 - Previous experience
 - Local representation and service
 - Contract implementation plan
 - Administrative (5%)
 - Contract terms and conditions (i.e., payment terms, insurance)

Please provide confirmation of receipt of the RFP package via PowerAdvocate®'s Messaging tab no later than 11:59PM AST, April 18, 2018.

If a proponent determines not to participate in the RFP, please advise when providing confirmation of receipt of RFP package, if known. Proponents are asked to advise PREPA as soon as possible if they decline to participate at any other time throughout the process.

4 Product Specifications and Requirements

PREPA partner/provider will be required to provide services specified in the RFP, as per presented in the RFP documents.

4.1 Pricing Expectations

It is expected that prices quoted in the Proponent's response to this RFP will be valid and fixed for the term of the contract (commencing on the contract signing date).

5 RFP Proposal Content and Format

The following outline describes the requested format and content for responses to this RFP. . The RFP must be completed in its entirety to constitute a valid proposal.

5.1 Background Information

- History: Please provide name, address and a brief history of your company and a description of the type of projects.
- Financial Information: Please include a copy of the company's audited financial statements for the **2015 and 2016 years**, ownership structure.
- General Information: Describe projects executed by the Company and key personnel pertinent to the scope of services required. Please include information on the number of current employees and resumes of key personnel related to this project. Other general information can be provided as appropriate.

5.2 Concept of Project Performance

- Describe your plan to provide services stated requirements. This section should focus on, but not be limited to, the following:



- How your company is uniquely set up to work with PREPA in this capacity (utility, government, Puerto Rico experience, etc.)
- How familiar is your company with logistics related complications and how would react
- Experience on similar projects, unexpected situations experienced and how was solved

5.3 Administration

Describe your approach to managing the administrative aspects of this project.

- Change order negotiation during the life of the agreement - What processes can be put in place and how can you help ensure that PREPA is constantly taking advantage of the best possible pricing?
- Terms of payment - PREPA's payment terms for this contract is net 60 days. As part of the proposal, please provide any additional payment terms such as Early Payment Discounts offered.

5.4 Pricing

Pricing shall be detailed as requested in Section 1.4.B.j of the Special Conditions. Proponents may provide supplementary facts as they consider may be of assistance in the evaluation of submitted proposals. However, failure to supply the minimum information requested may result in a proposal being considered unacceptable and therefore subject to rejection.

5.5 Compliance with General Contract Conditions

Please upload and return using PowerAdvocate's Upload Documents Tab, an initialized copy of Exhibit 3, Contract Document, indicating your company's review and acceptance of the draft document.

5.6 Process Rules & PREPAs General Instruction RFP Guide

This process will be regulated and executed according to the ***"GUIAS PARA PROCESOS DE ADQUISICIONES DE BIENES Y SERVICIOS A TRAVES DE RFP EN LA AEE V006032016 (Request for Proposals)"***. Please, see the Download Documents tab.

5.6.1 Proponents shall certify compliance with Section 4.17 of the ***"GUIAS PARA PROCESOS DE ADQUISICIONES DE BIENES Y SERVICIOS A TRAVES DE RFP EN LA AEE V006032016 (Request for Proposals)"***



6 Exhibits

Special Conditions

Contract

Exhibit A – Technical Specifications for Generator Sets

Exhibit B – Medium-voltage Metal Clad Switchgear

Exhibit C – Speed/Load Control Technical Specifications

Exhibit D – 13.8/38 kV Transformer Specifications

Exhibit E – Diesel Specifications

Exhibit F – Battery Bank Specifications

Exhibit G – Battery Charger Specifications

Exhibit H – RTU Specifications

Exhibit I – Existing Equipment C Form

Exhibit J – Existing Facilities Drawings

Exhibit K – Soil Report

