



**THE HASHEMITE KINGDOM OF JORDAN
NATIONAL ELECTRIC POWER COMPANY**

INVITATION TO PREQUALIFY FOR THE INTERNATIONAL TENDER

**FOR THE DEVELOPMENT OF
A 300 to 350 MW DIESEL ENGINE POWER PROJECT,
AT AMMAN EAST, JORDAN
ON A BUILD, OWN, AND OPERATE (BOO) BASIS**

Introduction

On behalf of the Hashemite Kingdom of Jordan (HKJ), the National Electric Power Company (NEPCO) hereby invites interested qualified firms and consortia to submit qualification information for the right to tender for the development of a Power Project including all support facilities (the Project), on a Build, Own and Operate (BOO) basis and to provide electricity to the National Electric Power Company (NEPCO) for an initial period of 25 years. The project RFP documents will indicate that the Partial Risk Guarantee from the World Bank can be used as an option to support the project.

Project Scope

The sponsors will be requested to propose a Base Bid and an Peaking Option . For the Base Bid, the project will consist of a power generating facility with capacity of 300 to 350 MW at site reference conditions utilizing diesel engine technology to be located in the Amman East area with an expected annual capacity factor of approximately 60%. Capacity of any single diesel-generator unit must not be lower than 10 MW.

For the Peaking Option, the project will consist of a power generating facility with a capacity of 200 to 250 MW at site reference conditions utilizing either diesel engine technology or combustion turbines operating in simple cycle with an expected annual capacity factor of 40%. This facility will be at the same location as the Base Bid facility. Capacity of any single peaking unit for the Alternative Bid must not exceed 40 MW at site conditions.

NEPCO has the right to award to the sponsor either (a) the Base Bid or (b) the Base Bid with Alternative Bid. The desired commercial operation date for the Base Bid and Alternative Bid is 2013-2014.

Fuel Procurement - For both options the Project will use Heavy Fuel Oil (HFO) as main fuel, and NEPCO may require the developer to provide the costs and schedule for a conversion from HFO to Natural Gas in the Tender document. The bidders will be responsible for selecting HFO of the quality suitable for the equipment proposed. Responsibility for liquid fuel procurement of the required quality and quantity will be determined at a later stage of the process. NEPCO will be responsible for supply natural gas, when available. The Project will have to meet the World Bank and Jordanian environmental requirements in effect one month prior to the bid submittal date.

Other Technical Requirements

Environmental - World Bank and Jordanian environmental requirements in effect one month prior to the bid submittal date.

Switchyard - The evacuation of electric power will be through the 400 kV Project switchyard that will be connected to the existing 400 kV NEPCO substation located approximately 8 km from the Project site by a double circuit interconnection line to be constructed by NEPCO.

Sponsor Qualification

For a firm (or consortium) to be considered for the short list of qualified sponsors, qualifications information must contain information in sufficient detail to allow NEPCO to assess the firm's or consortiums ability to develop the Project within the requirements set by NEPCO The following will be used in determination of qualifications:

- a. The sponsor can be a single entity (company, corporation, or unincorporated association) or can be a team of several members (consortium, joint venture) with joint and several responsibilities. After a sponsor has been short listed, the membership structure used to qualify the sponsor may not be changed without prior written approval of NEPCO.
- b. For determining the experience and technical capability of a team of several members, the experience and technical capability of each member shall be combined for evaluation.
- c. Each member is encouraged to provide its financial capability separately for evaluation.
- d. A sponsor's financial capacity will be judged on the basis of his net worth, working capital, profitability and bonding capacity. The sponsor needs to be able to illustrate that it will be in a position to access and provide sufficient working capital for the execution and construction of the Project, including security deposits for performance of the operations and maintenance period.
- e. Sponsors' qualifications will be evaluated on the basis of a PASS-FAIL approach.
- f. A short listed sponsor is one, who in NEPCO's opinion, meets or exceeds the qualification criteria listed herein below. The following table shall be filled in by the sponsors **supporting by evidences of having the required capabilities**

Section 1. Qualification Criteria	Sponsor's Response
<p>Grass Roots IPP Criteria</p> <p>The projects submitted by the sponsor in this Section qualify for consideration only if the projects were executed by the sponsor based on the Grass Roots IPP concept defined as follows:</p> <ol style="list-style-type: none">1. Prepare proposals for IPP projects2. Be selected as a sponsor based on ranking during competitive bidding or direct award.3. Directly negotiate the project agreements and finalize successfully.	

<p>4. Achieve financial closing for the projects on non-recourse or limited recourse basis. Non-recourse financing is defined as financing where lenders have recourse solely to the project company and its assets. Limited recourse financing is defined as financing where lenders have some recourse to the project owners. Projects where lenders have full recourse for the full amount of the debt via a guarantee, corporate indemnity or other instrument will not be considered as non-recourse or limited-recourse financing.</p> <p>5. Successfully operate the project for at least 18 months</p> <p>Existing projects or facilities that were acquired via purchase directly or indirectly, merger, or otherwise will not be considered as a Grass Roots IPP.</p>	
<p>1.1 Clear Description of the Sponsor. The qualified Sponsor shall identify the lead developer or firm, its relation to parent company if any and any other firms comprise the consortium or joint venture.</p>	
<p>1.2 Project Development Experience.</p>	
<ul style="list-style-type: none"> • The qualified Sponsor shall clearly demonstrate its ability to obtain sufficient Bank Guarantees and its previous financial capability to develop a grass root project of 300 MW and larger. 	
<ul style="list-style-type: none"> • The qualified Sponsor had the role as a lead developer in at least two grass root projects as follows: <ul style="list-style-type: none"> a. Two projects in the range of 300 MW and larger. Sponsor shall clearly demonstrate that the projects (i) has been developed and achieved financial closing, (ii) are located in a developing country and (iii) have been in commercial operation for at least 18 months prior to the date of issuance of this prequalification document. b. If the sponsor does not have 2 projects that comply with (a) above then the sponsor may include two projects with total capacity not less than 300MW in addition to the one project that complies with (a) above. Sponsor shall clearly demonstrate that the projects (i) have been developed and achieved financial closing and (ii) are currently in commercial operation prior to the date of issuance of this prequalification document. 	
<p>1.3 Project Financing Experience</p>	
<p>The qualified Sponsor must illustrate its lead developer’s previous successful experience in raising sufficient non-recourse or limited recourse debt participation for grass root projects (>\$200 million USD), and substantial equity participation (>\$50 million USD), for electric power projects of 300 MW and larger, at least one of these projects must be in a developing country.</p>	

1.4 Technical Capabilities and Qualifications.	
<ul style="list-style-type: none"> The qualified Sponsor must provide evidence of having within its organization or team, by association the technical capability to manage the design, engineering, construction and operation of international projects of 300 MW or larger. 	
<ul style="list-style-type: none"> The qualified Sponsor must provide evidence of having within its organization or team, by association the technical capability to manage the design, engineering, construction and operation of international projects of 100 MW or larger utilizing diesel engines burning heavy fuel oil. 	
<ul style="list-style-type: none"> While not a requirement, preference for selection will be given to the qualified Sponsor that provides evidence that it currently owns and has operated for at least 18 months (a) at least one power project of 40 MW or larger utilizing diesel engines with unit capacity of no less than 10 MW burning heavy fuel oil and (b) at least one power project using gas turbine technology burning liquid fuel oil for Sponsor who intended to develop Gas Turbine for Peaking Units. 	

Section 2. Supportive Information for Qualified Sponsor	<i>Sponsors response</i>
<p>Qualification Criteria</p> <p>The projects submitted by the sponsor in this Section qualify for consideration using the same criteria as Section 1, except that the requirement no. 5, to successfully operate the project for at least 18 months, is not required. Again, as in Section 1, existing projects or facilities that were acquired via purchase directly or indirectly, merger, or otherwise will not be considered.</p>	
<p>2.1 Project Development Experience</p> <ul style="list-style-type: none"> The qualified Sponsor has other electric power projects with capacity in the range of 300 MW and other diesel engine power projects with capacity of 40 MW and larger (please list the projects) The sponsor has other electric power projects (please list the projects) 	
<p>2.2 Implementation Experience</p> <ul style="list-style-type: none"> The qualified Sponsor must provide information regarding the time that was required for Sponsor's past projects of 300 MW and larger from the issuance of the RFP documents until the project award. The qualified Sponsor must provide information regarding the time that was required for Sponsor's past projects of 300 MW and larger from the project award until completing negotiations of the project agreements. The qualified Sponsor must provide information regarding the time that 	

was required for Sponsor's past projects of 300 MW and larger from completion of negotiations of the project agreements until reaching financial closing.	
<ul style="list-style-type: none"> The qualified Sponsor must provide information regarding the time that was required for Sponsor's past grass root projects of 300 MW and larger from financial closing date to commercial operation on other grass root power projects 	
2.3 Technical Capabilities and Qualifications.	
<ul style="list-style-type: none"> The qualified Sponsor must list EPC contractors used for implementing their past diesel engine electric power project of 40 MW and larger if available and other electric power projects of 300 MW and larger. 	
<ul style="list-style-type: none"> The qualified Sponsor must list O&M contractors used for operation and maintenance of their past and/or current diesel engine electric power projects of 40 MW if available, and larger and other electric power projects of 300 MW and larger. 	
<ul style="list-style-type: none"> The qualified Sponsor must list equipment suppliers used to supply diesel engines for their past diesel engine electric power projects with unit capacity of 10 MW and larger capable of burning heavy fuel oil if available. 	
<ul style="list-style-type: none"> The qualified Sponsor must describe the maintenance arrangements (long term service agreement with equipment suppliers, third parties, etc.) used for their past diesel engine electric power projects of 40 MW and larger if available. 	
<ul style="list-style-type: none"> The qualified Sponsor must provide information from the power purchasers for their past and current diesel engine electric power projects and other electric power projects of 300 MW and larger on whether the guaranteed capacity and heat rate of the facility(ies) were met during facility acceptance tests and whether plant availability guarantees are being met during commercial operation period. 	

Pre-Qualification Instructions:

Composition of Bid Group - Each sponsor shall provide a statement from each consortium member that the lead member is authorized to act on their behalf. The composition of the consortium cannot be changed without NEPCO's prior written approval. The name, address, telephone, and facsimile of the sponsor's project manager to whom all correspondence will be directed in relation to the Project shall be provided.

Submission – One (1) original and Four (4) copies of the qualifications submissions, signed and certified by an officer of the sponsor (or lead consortium member), shall be submitted in sealed envelopes, delivered to the address below by Sunday October 17 2010, 12:00 noon

Tendering Committee Secretary, 5th floor
National Electric Power Company (NEPCO)

Zahran Street – 7th Circle
Amman – Jordan

Short List Notification - NEPCO will notify in writing each firm or consortium that submitted documentation, the names of firms or consortia on the short list of sponsors.

NEPCO Consultant - NEPCO has retained the services of K&M Engineering and Consulting LLC to prepare the RFP and the Project Agreements to be included in the RFP, which will include an Implementation Agreement , Power Purchase, Water Supply, Land Lease Agreements, and Fuel Supply Agreement.

Request for Proposal (RFP) - Only the short listed sponsors will be invited by NEPCO to participate in the forthcoming RFP. NEPCO will notify these sponsors with instructions on how to purchase and receive the RFP document.

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