

REPUBLIC OF BOTSWANA



MINISTRY OF MINERALS, ENERGY AND WATER RESOURCES

REQUEST FOR EXPRESSION OF INTEREST (EOI) FROM POTENTIAL INDEPENDENT POWER PRODUCERS FOR THE DEVELOPMENT OF A 300MW COAL FIRED POWER STATION (GREENFIELD) IN BOTSWANA

REFERENCE NO.: PR 10/1/3/13 (III)

June 2013

PROCURING DEPARTMENT	AGENT
Ministry of Minerals, Energy & Water Resources Private Bag 0018 Gaborone Tel: (+267) 3656600 Fax: (+267) 3909368	Mr V. Bagopi Private Bag 0018 Gaborone Tel.: (+267) 3656600 Fax.: (+267) 3909368 E-mail: vbagopi@gov.bw

**REQUEST FOR EXPRESSION OF INTEREST (EOI) FROM POTENTIAL
INDEPENDENT POWER PRODUCERS FOR THE DEVELOPMENT OF A 300MW
COAL FIRED POWER STATION (GREENFIELD) IN BOTSWANA**

TENDERING PROCEDURES

T1.1 Tender Notice and Invitation for Expression of Interest

T1.2 Tender Data

Tender Ref.: PR 10/1/3/13 (III)

**REQUEST FOR EXPRESSION OF INTEREST (EOI) FROM POTENTIAL
INDEPENDENT POWER PRODUCERS FOR THE DEVELOPMENT OF A 300MW
COAL FIRED POWER STATION (GREENFIELD) IN BOTSWANA**

- Technically and financially sound companies are invited to submit an Expression of Interest for potential development of a 300MW coal fired power station
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- The Procuring Department is :

**Ministry of Minerals Energy & Water Resources
PRIVATE BAG 0018
GABORONE
BOTSWANA**

Tel: (+267) 3656600 **Fax:** (+267) 3909368.

- The physical address for collection of tender documents is:-

Ministry of Minerals Energy & Water Resources
Plot 50676, Fairground Office Park
Block C, 2nd Floor, Office S07
Gaborone.

Tender Documents may also be downloaded from the following websites:

www.mmewr.gov.bw
www.ppadb.co.bw

Documents may be collected between 0730 hours to 1245 hours and 1345 hours to 1630 hours during working days from the **5th August 2013**

- Queries relating to the issue of these documents may be addressed to Mr. Vincent Bagopi, Tel.: (+267) 3656600, Fax.: no.: (+267) 3909368, E-mail: vbagopi@gov.bw
 - The closing time for receipt of tender offers is 1000hrs on the **27th November 2013** following which tenders will be opened in the presence of bidders wishing to attend. Late tender offers will **not** be accepted.
 - Telegraphic, telephonic, telex, facsimile or e-mail tender offers will **not** be accepted
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One (1) original plus Four (4) copies and one (1) digital copy in CD are to be submitted in plain sealed envelope clearly marked **“Expression of Interest by potential Independent Power Producers For the development of 300MW coal fired power station (Greenfield)”**

and shall be delivered to:

Physical Address:

Postal Address

**The Board Secretary
Public Procurement & Asset Disposal
Board (PPADB)
Tender Reception (Ground Floor),
Plot 8913, Maakgadigau Road, Old
Customs and Excise Building, Gaborone
Republic of Botswana**

**The Board Secretary,
PPADB
Private Bag- 0058
Gaborone
Republic of Botswana**

The Public Procurement and Asset Disposal Board’s Standardised Conditions of Tender apply to this procurement, for which all the applicable Tender Data is contained in the tender documents.

Notwithstanding anything in the foregoing, the Government of Botswana is not bound to accept the lowest or any tender offer.

**M. Ramodimoosi
Board Secretary
Public Procurement & Asset Disposal Board**

TENDER TENDERING PROCEDURES	TENDER DATA
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**REQUEST FOR EXPRESSION OF INTEREST (EOI) FROM POTENTIAL INDEPENDENT
POWER PRODUCERS FOR THE DEVELOPMENT OF A 300MW COAL FIRED POWER
STATION (GREENFIELD) IN BOTSWANA**

<p>The conditions of tender are the Standardised Conditions of Tender as published by the Public Procurement and Asset Disposal Board.</p> <p>The Standardised Conditions of Tender make several references to the Tender Data for details that apply specifically to this tender. The Tender Data shall have precedence in the interpretation of any ambiguity or inconsistency between it and the Standardised Conditions of Tender.</p> <p>Each item of data given below is cross-referenced to the clause in the Standardised Conditions of Tender to which it mainly applies. There are many other clauses in which the data is required.</p>	
<p>1.1 The Procuring Department is:</p>	<p style="text-align: center;">MINISTRY OF MINERALS, ENERGY AND WATER RESOURCES HEADQUATERS PRIVATE BAG 0018 GABORONE BOTSWANA</p> <p style="text-align: center;">Tel: (+267) 3656600 Fax: (+267) 3909368</p>
<p>1.2 The tender documents issued by the Procuring Department comprise:</p> <p>One volume approach</p> <p>TENDER SECTION Tendering Procedures Tender Notice & Invitation to Expression of Interest Tender Data List of returnable documents Tender Schedules</p> <p>CONTRACT SECTION Part 1 Agreements & Contract Data Letter of Response Part 3 Scope of Work</p>	

1.6 The Procuring Department's Agent is:

Mr. Vincent Bagopi
Ministry of Minerals, Energy & Water Resources Headquarters
Tel +267 3656600
Fax +267 3909368

E-mail: vbagopi@gov.bw

2.7 Where monetary values are stated these are to be in Botswana currency (BWP) or any international convertible currency.

Parts of each tender offer communicated on paper shall be submitted as an original bound plus Four (4) copies and one electronic copy in CD.

2.22 The Procuring Department's address for delivery of tender offers and identification details to be shown on each tender offer package are:

Physical Address:

Postal Address

**The Board Secretary
Public Procurement
& Asset Disposal
Board (PPADB)
Tender Reception
(Ground Floor),
Plot 8913,
Maakgadigau Road,
Old Customs and
Excise Building,
Gaborone
Republic of
Botswana**

**The Board Secretary,
PPADB
Private Bag- 0058
Gaborone
Republic of Botswana**

**EXPRESSION OF INTEREST BY POTENTIAL INDEPENDENT POWER PRODUCERS
FOR THE DEVELOPMENT OF A 300MW COAL FIRED POWER STATION
(GREENFIELD)**

[TENDER REF.: PR 10/1/3/13 (III)]

2.23 A One envelope procedure will be followed.

Bidders should respond with five identical documents and one electronic copy; **ONE (1) ORIGINAL FOUR (4) COPIES AND ONE (1) ELECTRONIC COPY IN CD.** The original document should be clearly marked that it is an original.

The Proposal must be contained in a single envelope clearly marked the tender number and project description.

GENERAL GUIDELINES FOR PREPARATION OF PROPOSALS

Issued to potential developers of coal-fired power station project in Botswana.

Below is listed information the Respondent is invited to provide partially or in full. Respondents are welcome to provide written detail and/or comments if and where applicable the Respondents are of the opinion that it would benefit the design and implementation of the procurement process.

Respondents must respond by providing separate forms for each project in preparation if involved in more than one (1) project. Also please indicate whether the project will be developed in phases and the size of each phase. The information is important in order to design future IPP procurement programmes.

1. General Information

- a. Corporation, partnership, joint venture, SPV, etc. applying for IPP license
- b. Name and title of primary contact
- c. Mailing address
- d. Contact email

- e. Contact phone numbers
- f. Site location (name, coordinates)
- g. Botswana Mineral Concession type, number and its validity were the coal will be mined to feed the power station.

2. Specific Project Development Information

Project Title:	
Description of Project:	
Description of planned installed energy (MWh) and/or capacity (MW) <u>and</u> Indicate whether the project can be developed in phases. Indicate the phases, the MW/GWh in each phase and the readiness and timing to proceed with these development phases i.e. Phase 1, Phase 2 etc.:	
Expected project cost:	
Project Status	
Name of Developer of Project:	
Indicate experience in similar projects successfully completed (both mining and power) in Southern Africa and/or other jurisdictions	
Average entity year turnover the last 3 years	Year1 : Year2: Year 3:
International developer/partners years of technology experience	
Readiness of Institutional Structure	
Has institutional structure been finalised	Yes No
Indicate the project structure, if developed and available, including <ul style="list-style-type: none"> • equity participants • EPC contractors • suppliers of equipment • long-term operator of the project 	

<ul style="list-style-type: none"> Community involvement or local economic development 		
Interaction with the equipment supplier - please indicate readiness to provide equipment	Yes	No
<ul style="list-style-type: none"> Do you have plant and equipment supplier Do you have a term sheet agreed If yes, do you have a price and timeframe for delivery Do you have an equipment supply agreement signed 	Yes Yes Yes Yes	No No No No
Special Project Vehicle (SPV) / Joint Venture (JV) shareholder agreement signed	Yes	No
MoU and/or cooperation agreement signed	Yes	No
Have equity partners been identified and secured	Yes	No
Is the equity contribution secured and committed	Yes	No
Readiness of Data		
Are all mineral concessions held in good standing	Yes	No
Mining Feasibility studies completed	Finalised	Draft
Have you completed your prospecting programme.	Yes	No
Do you have enough mineable in situ coal reserves (probable and proved in terms of the Samrec or JORC standards) to supply the full life of the power block plus a 40% contingency	Yes	No
Is the resource statement certified by an independent competent person	Yes	No
Have you completed the mining and treatment studies, mining plans and designs with equipment selected	Yes	No
How long will it take to meet the requirements to apply for a mining licence		
Do you have a bankable mining financial model	Yes	No
Environmental Impact Assessment (EIA) Record of Decision (ROD) received from Department of Environmental Affairs (DEA)	Received	Applied
If not received, when is the ROD expected date i.e. (1)	(1)	(2)

date applied and (2) expected date for receiving ROD		
Environmental scoping report done and submitted to DEA	Yes	No
Have you received a response	Yes	No
If not, when is the expected date for the Environmental Scoping Report i.e. (1) to be submitted and (2) expected response date	(1)	(2)
Environmental Impact Statement (EIS) completed and submitted to DEA	Yes	No
Have you received a response	Yes	No
If not, when is the expected date for the EIS i.e. (1) to be submitted and (2) expected response date	(1)	(2)
Is water readily available to the project	Yes	No
If Yes, state the source of the water and agreements in place		
If no, state where the water for the project will come from?		
Relevant data collection • Resource/reservoir studies or such resource studies as required by the lenders		
If agreements with third parties are applicable please indicate these requirements and where negotiations with re these contracts are		
Readiness of Site		
Indicate potential site location:		
Timeframes		
Expected months, after license issued and PPA approval, until connection to the grid	Months	
Expected months to complete construction broken up into development phases	Months	

Phase1 Phase2 Etc	Phase1 : Phase 2 Etc
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Provide a programme and timetable indicating expected energy into grid after licence issued and PPA approval (indicate MW and GWh):

Example: Phase 1 " ",,XX MW"" XX.GWh year 2019
Phase 2
Etc.

Lender information (if applicable)

Name and detail of potential Lenders:

Current level of commitment from Lenders:

- None
- Mandate agreement agreed
- Debt term sheet developed
- Debt term sheet agreed
- Arranging Bank appointed
- Underwriting Bank appointed

Yes

No

Special relationship with donors, multi-lateral funders, development finance

institutions etc.:

Any views on constraints in the financial market in Botswana for the attention

of the Government:

3.4 The time and location for opening of proposals is:

Time: 1000 Hrs LOCAL TIME (GMT +2)

Location:

Physical Address:

**The Board Secretary
Public Procurement & Asset Disposal
Board (PPADB)
Tender Reception (Ground Floor),
Plot 8913, Maakgadigau Road, Old
Customs and Excise Building, Gaborone
Republic of Botswana**

3.15 The procedure for evaluation of responsive proposal will be a YES/NO.

**A CONTRACT FOR
REQUEST FOR EXPRESSION OF INTEREST (EOI) FROM POTENTIAL
INDEPENDENT POWER PRODUCERS FOR THE DEVELOPMENT OF A 300MW
COAL FIRED POWER STATION (GREENFIELD) IN BOTSWANA**

CONTRACT

PART 1: LETTER OF RESPONSE

PART 3: SCOPE OF WORK

C3 Scope of work

Letter of Response

Respondent Letterhead

Permanent Secretary

Ministry of Minerals, Energy and Water Resources
Private Bag 0018
Gaborone
Botswana

Dear Sir

REQUEST FOR EXPRESSION OF INTEREST (EOI) FROM POTENTIAL INDEPENDENT POWER PRODUCERS FOR THE DEVELOPMENT OF A 300MW COAL FIRED POWER STATION (GREENFIELD) IN BOTSWANA

We, the undersigned, offer the following information in response to the EOI sought by the Ministry of Minerals, Energy and Water Resources (MMEWR) in relation to the intended procurement of the coal project.

- a) We are duly authorized to represent and act on behalf of [*respondent name*] (herein after the "Respondent").
- b) We have examined and have no reservations to the EOI Information Document ("the EOI Information document") contemplating the background information of the project as provided to us by MMEWR [including Addendums].
- c) We are attaching with this letter and response forms (Annexure 2), copies of documents defining:-
 - i. The Respondent's legal status
 - ii. Its principal place of business
 - iii. Its place of incorporation (if Respondents are corporations); or its place of registration
 - iv. Financial statements of the last 3 (three) financials years, clearly indicating the financial turn-over and net worth if applicable)
- d) We shall assist the Ministry of Minerals, Energy and Water Resources and/ or its authorized representatives to obtain further clarification from us, if needed.
- e) MMEWR and/ or its authorized representatives may contact the following persons for further information on any aspects pertaining to this response: full name, office telephone number, cellular number and email address.
- f) This response is made in the full understanding that:
 - i. Information furnished in response to the EOI shall be used confidentially by the Ministry for purposes of development of IPP procurement programme;

- ii. The Ministry reserves the right to reject or accept any or all responses , cancel the EOI and subsequent process without any obligation to inform the respondent about the grounds of same, and shall have no obligation or liability to us in respect thereof;
 - iii. We confirm that we have no grounds for any claim whatsoever against the Ministry and neither is the Ministry liable to us on any grounds whatsoever as a result of our participation in this EOI; and
 - iv. We confirm that we are interested in participating in the development of the IPP procurement programme as per the details provided in the response form (Annexure 2).
- g) We acknowledge that the information contained in the EOI information document is not exhaustive and we confirm that we have made such further enquiries deemed necessary to submit this EOI response and we do not rely solely on the information provided in the EOI Information Document in submitting this response.

The undersigned declares that the statements made and the information provided in the duly completed application is complete, true, and correct in every detail.

NAME:.....

In the Capacity:.....

Signed:.....

Duly authorized to sign in the response for and on behalf of

Date: [day/Month/Year]

Regards.

1. Client's / Employer's objectives

The overall energy policy goal, as contained in the Draft Energy is to provide affordable, reliable and adequate supplies of energy for socio-economic development and to utilise energy resources in a sustainable manner. The energy sector continues to face challenges with regard to reliable supplies of energy, in particular electricity.

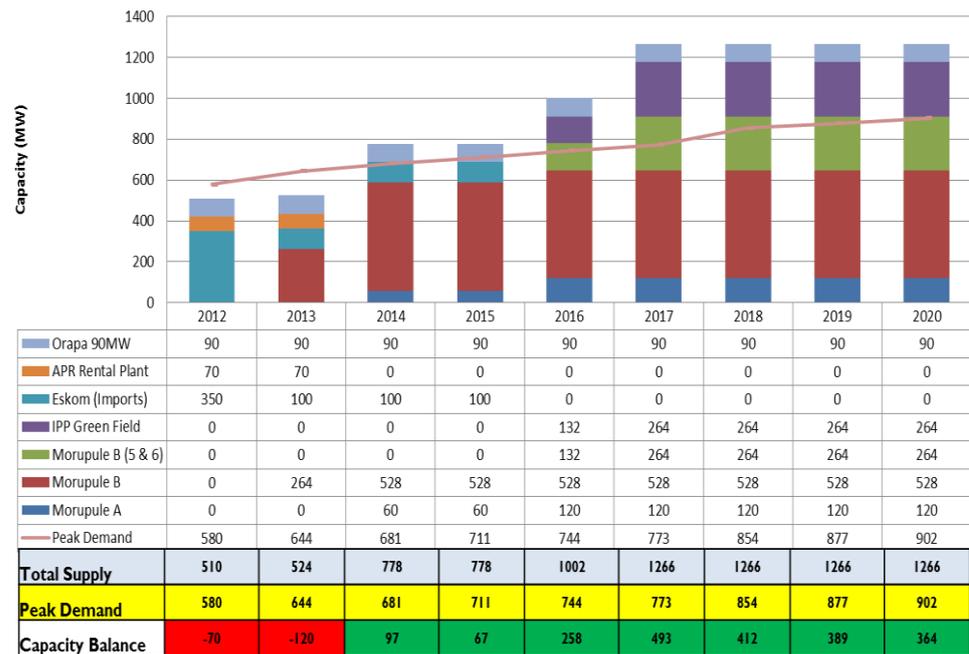
The Nation's electricity supply has been anchored on increasing power imports over the years. The contribution of Morupule A power station (132MW Gross) to national energy demand has been progressively diminishing due to an increase in the country's power requirements whilst the reliability of the power plant drastically reduced after more than 25 years of operation. The maximum national electricity demand is 570MW, whilst local generation capacity is 132MW from Morupule A and 160MW (70MW Matshelagabedi and 90MW Orapa) peaking power from the emergency diesel power plants. However, Morupule A has been unable to generate at full capacity for most of the year due to operational challenges.

Government supported the Botswana Power Corporation (BPC) to develop and construct Morupule B 4X150MW (600MW Gross) power station. This project is nearing completion with the power plant scheduled for full commercial operation by the end of the year, 2013.

In summary, the country's sources of power supply post 2013 will comprise Morupule B power station (528MW Net); Orapa Turbine Power Plant (90MW Net) and Morupule A power station if refurbished and returned to service. The 70MW Emergency power plant in Matshelagabedi is a rented facility for the period up to end of December 2013.

The graph below depicts a supply-demand forecast up to the year 2020.

Capacity Balance (2013 - 2020)



In December 2007, the Government of Botswana amended the Electricity Supply Act to allow for Independent Power Producers (IPPs). Furthermore, the Government is in the process of establishing the office of an Energy and Water Regulatory Authority for economic regulation of the energy and water sectors, including electricity.

It will, therefore, be important for potential Independent Power Producers to provide information of their projects that will be ready to produce power into the system before December 2019

2. Description of the services

The Government of Botswana (GoB) through the Ministry of Minerals, Energy and Water Resources (MMEWR) is seeking information on how a preferred Independent Power Producer (IPP) could develop a 300 MW Coal Fired Power in a Greenfield in Botswana to meet the power supply requirements of the country by 2019 and beyond.

The specific objectives of the EOI are to:

- i. assess market interest;
- ii. solicit information from interested parties as to the state of readiness;
- iii. gather information to support the development of a procurement process for energy procurement from independent power producers within the Botswana procurement legislation, whether a comprehensive Request for Proposal, or otherwise; and
- iv. facilitate the allocation of Government resources.

- 3.2 A decision on the detail and timing of the RFP will depend to a great extent on the information provided in response to this EOI.
- 3.3 In light of the amount of time required for respondents to provide such information and for MMEWR to evaluate it, a decision as to the exact date to proceed with all the identified procurement options would not be expected prior to January 2014. However, it may be that the Ministry can identify projects from the information provided that could be engaged earlier.

3 Extent of the Services

The Ministry invites responses to the EOI from potential Independent Power Producers who are ready to progress to comprehensive feasibility studies within one (1) year. It is preferable that the mine and the power block should be developed as one economic unit. In this regard, the submission should clearly indicate the level of preparedness for both the mine and the power block.

Submissions from potential Independent Power Producers should also indicate the ability to raise funds from financial institutions (including but not limited to providers of debt and equity financing, export credit agencies, development finance institutions); as well as indicate the technology and equipment suppliers to the proposed project (mine and power block) .

- 5 Necessary consultations shall be conducted with relevant stakeholders including but not limited to the following:-

- Department of Energy
- Department of Geological Surveys
- Department of Mines
- Department of Environmental Affairs
- Water Utilities Corporation
- Botswana Power Corporation,
- Morupule Colliery

6 Brief

A provisional Project timetable is shown below.

Milestone/Action Item	Date (<i>tentative</i>)
EOI floated / released	28 th June 2013
EOI Responses due (closing date)	30 th October 2013
Prequalification	January 2014
Deadline for submission of Pre-Qualification	December 2014

7 Approvals

The client shall be the Permanent Secretary of the Ministry of Minerals, Energy and Water Resources. The Department of Energy will provide a link between the Permanent Secretary and the consultant. The Government shall give its decision on all reports, recommendations and other matters properly referred by the consultants for decision in such reasonable time as not to delay or disrupt the performance by the Consultant of its service under this Agreement.

15 Format of communications

Reports to be typed in standard "*Times New Roman or Arial*" font 12.