



Organization of American States

BID No: 14/11

REQUEST FOR PROPOSALS

FOR

A POWER INTERCONNECTION PRE-FEASIBILITY STUDY BETWEEN ST KITTS AND NEVIS AND PUERTO RICO

DEPARTMENT OF SUSTAINABLE DEVELOPMENT (DSD)

EXECUTIVE SECRETARIAT FOR INTEGRAL DEVELOPMENT (SEDI)

**GENERAL SECRETARIAT OF THE ORGANIZATION OF AMERICAN STATES
(GS/OAS)**

Office of Procurement Services

June 8, 2011

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(RFP)**

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1. BACKGROUND

- 1.1 The Organization of American States (OAS) brings together the nations of the Western hemisphere to promote democracy, strengthen human rights, foster peace, security and cooperation and advance common interests.
- 1.2 The Department of Sustainable Development (“DSD”) of the General Secretariat of the Organization of American States (“GS/OAS”) is responsible for providing technical assistance and capacity building to the member states oriented toward rational utilization of natural resources and environmental management for sustainable development with emphasis on the formulation of specific investment projects, and the identification of policy priorities. The DSD is the principal source of expertise in the GS/OAS in relation to environment, sustainable development, natural disaster risk reduction, and renewable energy and energy efficiency. It advises the Secretary General and supports the Councils of the Organization on these matters.
- 1.3 Within the DSD, the Energy and Climate Change Mitigation Division is responsible for the management of projects designed to promote the sustainable development and rational use of energy. This includes supporting renewable energy, energy efficiency/conservation measures, energy sector cooperation, and integration of energy networks throughout the hemisphere, as e.g. the Energy and Climate Change Partnership of the Americas (“ECPA”).
- 1.4 On August 27, 2010, the GS/OAS officially launched the U.S. Department of State funded Program entitled “Support the Energy and Climate Partnership of the Americas: Promotion of a Regional approach to Sustainable Energy in the Caribbean Basin and Establishment of the ECPA Clearinghouse and Sustainable Energy Project Incubation Initiative.” With as working title “ECPA Caribbean Initiative” (“ECPA Caribbean Initiative”).
- 1.5 The ECPA Caribbean Initiative is designed to facilitate regional dialogue and assist OAS Caribbean Member States in promoting and implementing sustainable energy policies and programs. Through this program, legal counsel and technical assistance is provided to support commercialization of government endorsed energy projects consistent with national energy policies and/or action plans, and ECPA’s guiding pillars with focus on addressing renewable energy, energy efficiency, energy poverty, and regional integration (including e.g. electrical interconnection infrastructure).

- 1.6 As part of the program the GS/OAS requires a pre-feasibility study of the inter-island electrical interconnection between the Federation of St. Kitts and Nevis and Puerto Rico. The pre-feasibility study shall be done in a manner consistent with the official position of both countries' governments, its relevant public and private stakeholders, and in consideration of the state and sustainability of their respective energy sectors. The pre-feasibility study will be financed by the ECPA Caribbean Initiative with funds originating from the U.S. Department of State.

2. OBJECTIVE

- 2.1 The purpose of this RFP is to select a consulting firm to produce a pre-feasibility study of the inter-island electrical interconnection between the Federation of St. Kitts and Nevis and Puerto Rico.
- 2.2 This RFP does not in any manner whatsoever constitute a commitment or obligation on the part of GS/OAS to accept any Proposal, in whole or in part, received in response to this RFP, nor does it constitute any obligation by GS/OAS to acquire any goods or services.

3. TERMS OF REFERENCE

The Terms of Reference (TOR) of the Interconnection Pre-Feasibility Study, are outlined in Appendix 1 of this RFP, and, therefore, become part of it.

4. GOVERNING LAW

The selection process of the consultant services are regulated by:

- 4.1 This RFP.
- 4.2 The Procurement Contract Rules of the GS/OAS, approved by Executive Order No. 00-1.
- 4.3 The Performance Contract Rules, approved by Executive Order No. 05-04, Corr. No. 1.
- 4.4 The Executive Orders, memoranda and other dispositions and official documents of the GS/OAS applicable to this process.

5. BIDDERS' INQUIRIES

- 5.1 Bidders may submit any inquiry or request for more information and clarification regarding technical specifications in this RFP no later than five (5) business days prior to the bid closing date.
- 5.2 The requests must be submitted in a written format to the attention of Ms. Lili Romero-DeSimone, Director of the Office of Procurement Services (OPS), by e-mail to: OASBIDSubmit@oas.org with copies to mhaugaard@oas.org and eparada@oas.org.
- 5.3 The responses to these requests will be submitted in written format to all Bidders no later than three (3) business days before the bid closing date.

6. PROPOSAL SUBMISSION

6.1 Submittal Format

- 6.1.1 Proposals shall be submitted in 3 sealed envelopes. The first envelope will contain the Technical Proposal; the second envelope will contain the Price Proposal; and the third envelope will contain the legal documentation required in Section 6.2.3.
- 6.1.2 The Proposals shall be submitted in hard copy: one (1) original and two (2) copies. The sealed envelope containing Bidder's Proposal shall be labeled:

GS/OAS BID No. 14/11 – POWER INTERCONNECTION PRE-FEASIBILITY STUDY BETWEEN ST KITTS AND NEVIS AND PUERTO RICO _____ (Bidder's Name)

- 6.1.3 The Proposals shall be delivered to:

The General Secretariat of the Organization of American States Office of Procurement Services 1889 F Street, N.W., 4 th Floor Washington, DC 20006 USA

- 6.1.4 Additionally, the Proposals shall be submitted by electronic mail to the attention of Ms. Lili Romero-DeSimone, Director of the Office of Procurement Services. Proposals sent by e-mail should be in PDF format and sent to OASBIDSubmit@oas.org with copies to mhaugaard@oas.org and eparada@oas.org.
- 6.1.5 The Proposals shall be signed by the Bidder's legal representative.
- 6.1.6 The Proposals shall remain valid and open for acceptance for a period of at least ninety (90) calendar days after date specified for receipt of proposals. The term of validity of the Proposals must be expressly stated on the same Proposal.
- 6.1.7 By submitting a Proposal, the Bidder gives express warranty of its knowledge and acceptance of RFP and the rules and conditions that governs the bidding process. Likewise, the Bidders shall warrant the accuracy and reliability of all information they submit in this procurement process.
- 6.1.8 The Bidders shall bear any and all costs or expenses associated with or incurred in the formulation or development of a Proposal in response to this RFP.

6.2 Required Documents and Formats in the Proposals

- 6.2.1 Content of the Technical Proposal:

The Technical Proposal shall include the following information/documents:

Documents related to Contractor's Experience

- a) A minimum of five (5) references from Bidder's clients to which similar or relevant services were provided during the last three (3) years. These references should include: the name of the client, contact person, telephone and fax numbers and e-mail address, and a description of the work performed and the duration of the project.
- b) A general description of the background of the bidding firm.
- c) A detailed description of the Bidder's work experience similar or relevant to this Project. The description shall indicate what work it did, when and where it did it, whom it did it for, and what methods it used.

Documents related to Contractor's Personnel

- d) A comprehensive resume of the proposed team that will produce the study. The resumes shall reflect the expertise, knowledge and capabilities required in Section 4.4 of the TORs, Appendix 1 of this RFP.

Documents related to the Service Offered

This section of the Proposal shall not exceed thirty (30) pages.

- e) **Technical Approach and Methodology:** Explain understanding of the objectives of the assignment, approach to the services, methodology for carrying out the tasks and obtaining the expected deliverables. Highlight the problems being addressed and their importance, and explain the technical approach to be adopted to address them.
- f) **Work Plan:** Propose the main activities of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by the DSD), and delivery dates of the reports. The proposed Work Plan should be consistent with the technical approach and methodology, showing understanding of the Terms of Reference ("TOR") and ability to translate them into a feasible working plan. Innovation and/or enhancements to the work, if offered, should be also described in the Work Plan.
- g) **Organization and Staffing:** Propose the structure and composition of the team. List the main disciplines of the assignment, the key liaison and expert(s) responsible, and proposed technical and support staff.

If the Bidder plans to perform the Work with subcontractors and/or in joint venture with other firms, the description of the organization of the team shall also address the interrelationship of the firms and how potential inefficiencies such as organization, communications, and process can be avoided. If the form of a joint venture is considered to submit a Proposal, the Technical Proposal should additionally address joint and several liabilities for all partners.

- h) **Table of Contents of the Study:** Proposed table of contents (or outline) for the pre-feasibility report and any proposed modifications to the TORs the Bidder deems appropriate.

Other information

- i) Information of Bidder's point(s) of contact. Provide the name, position, telephone number, email and fax of the person or persons serving as coordinator or focal point of information of the Bidders concerning this bidding process.
- j) Other documentation and/or information that supports each of the technical evaluation factors as per Section 7.4.1, a) of this RFP.

6.2.2 Content of the Price Proposal:

The Bidders shall submit a Price Proposal expressed in US Dollars (US\$), in numbers and in words, in accordance with the TOR, Appendix 1 of this RFP.

A Fixed Price Contract will be signed with the prospective Contractor, therefore Price Proposals shall include all anticipated expenses for delivering the study, including but not limited to, fee, travel (airfare, hotel, per diem), and other costs associated with cost of executing the activities.

The Price Proposal shall also include the following:

- A description of the key categories of expenditures (i.e. staff remuneration, sub-contractors, travel/per diem, equipment, etc.).
- A proposed payment/compensation schedule, considering that payments will be only furnished upon satisfactorily completed work/deliverables.

6.2.3 Legal Documentation:

- a) A copy of the certificate of incorporation of the Bidder.
- b) A copy of the Bidder's bylaws.
- c) A copy of the Bidder's license to do business in the corresponding jurisdiction (if required under the law of the duty station where the work is to be performed).
- d) A list of the directors, officers, and the names of any stockholder with more than 50% of the stock.
- e) A statement where Bidder acknowledges that it has read and understood the Contractual Terms and Conditions as per Appendix 2 of this RFP. The statement should follow Format 1 of Appendix 3. If the Bidder does not agree with any of the Contractual Terms and Conditions of GS/OAS, it should expressly indicate so in its Proposal, offer alternative language, and present the rationale of its proposal.
- f) A disclosure statement of conflict of interest. The statement should follow Format 2 of Appendix 3.
- g) A copy of the Bidder's latest general balance sheet of 2009 or 2010; and copy of the Bidder's latest three (3) audited financial statements, for the years 2007, 2008, 2009 or 2010. These financial statements must be signed and/or appropriately certified by the Chief Financial Officer of the Bidder.

6.3 Closing Date for Receipt of Proposals

- 6.3.1 Both the sealed and electronic proposals must be received by the GS/OAS no later than close of business (COB), **5:30 p.m. EST, July 7th, 2011.**

6.3.2 Proposals submitted after the deadline will not be considered.

6.4 Limited Use of Data

If the Proposal includes data that the Bidder does not want to disclose to the public for any purpose or used by the GS/OAS except for evaluation purposes, the Bidder shall include in its Proposal a statement signed by its legal representative with the following legend:

USE AND DISCLOSURE OF DATA

This Proposal includes data that shall not be disclosed outside the GS/OAS and shall not be duplicated, used, or disclosed— in whole or in part—for any purpose other than to evaluate this Proposal. If, however, a contract is awarded to this Bidder as a result of—or in connection with—the submission of this data, the GS/OAS shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the GS/OAS' right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets [insert numbers or other identification of sheets].

7. EVALUATION

7.1 Evaluation Authority

The Proposals will be evaluated by the Contract Awards Committee (CAC) of the GS/OAS.

7.2 Requests for Clarifications

- 7.2.1 In order to enhance the CAC understanding of Proposals, allow reasonable interpretation of the Proposal, or facilitate the CAC's evaluation process, the CAC may submit, in writing, any inquiry or request to the Bidders for explanation, substantiation or clarification of certain aspects of its Proposals.
- 7.2.2 Likewise, during the evaluation process, the CAC may offer the Bidders an opportunity to eliminate minor irregularities, informalities, or apparent clerical mistakes in its Proposals.
- 7.2.3 Requests for clarifications shall not be used to cure Proposal deficiencies or material omissions that materially alter the technical or cost elements of the Proposal, and/or otherwise revise the Proposal. Information provided by the Bidder that was not expressly solicited by the CAC through a request for clarification will not be considered during the evaluation.
- 7.2.4 Inquires or requests for clarification will be addressed to the point of contact indicated by the Bidders in its Proposal.

7.3 Evaluation Process

- 7.3.1 The evaluation of the Proposals will be performed as a whole, in two (2) phases: Technical Evaluation and Price Evaluation. The purpose of the Technical Evaluation is to

analyze and evaluate the Technical Proposal, and the purpose of the Price Evaluation is to analyze and evaluate the price offered.

- 7.3.2 Proposals will be admitted for evaluation only if they comply with the mandatory minimums contained in the TORs. Once admitted, the CAC shall analyze and rate those Proposals using the evaluation factors set forth in paragraph 7.4.

7.4 Award Criteria

- 7.4.1 The CAC will review, evaluate, and compare all Proposals according to, but not necessarily limited to, the following criteria:

a) Technical Criteria:

1. **Responsiveness.** Whether the Bidder's Technical Proposal conforms in all material respects to the RFP.
2. **Financial Capability.** Assesses the financial condition of the Bidder to perform the Contract through the review of the Bidder's financial statements.
3. **References Check.** The GS/OAS will request performance information from Bidder's previous clients.
4. **Responsibility.** Whether the Bidder's Technical Proposal meets the RFP's technical specifications in order to determine its capability, tenacity, and perseverance to perform the Contract.
5. **Relevant Experience / Past Performance.** Assesses Bidder's capability, comprising of three elements: i) observation of the historical facts of Bidder's work experience (what work it did, when and where it did it, whom it did it for, and what methods it used); ii) qualitative judgments about breadth, depth, and relevance of that experience based on those observations; and iii) qualitative judgments about how well the Bidder performed, also based on those observations.
6. **Key Personnel.** Assesses the knowledge, qualifications and relevant experience of the key personnel that the Bidder intends to use to perform the Contract, and its organization. Selection by the Bidder of the best experts available is crucial to the success of this Project, and will be a key element for the evaluation of the Proposal.
7. **Schedule Compliance.** Analyses the ability of the Bidder to comply with the required performance schedule.
8. **Work Plan.** Assesses the completeness of the Proposal in order to determine timely performance and technical compliance.
9. **Innovation / Enhancements.** Favorable consideration will be given to those Bidders that offer greater performance through enhancements to the work

called by the TORs, such as any in-kind labor contributions that may offer, or proposed local staff training and participation in the project.

b) Price Criteria:

1. Price Proposal.

7.5 Discussions and Negotiations

Before awarding the Contract, the GS/OAS may choose to negotiate the terms, conditions and deliverables of the Contract with the Bidders that, in the opinion of GS/OAS, are within the competitive range. After the negotiations, the GS/OAS will issue a request for Best and Final Offer (BAFO) so those Bidders will have the opportunity to revise or modify its initial Proposal. The CAC shall analyze and rate those BAFOs using the evaluation factors set forth in paragraph 7.4.

8. AWARD

- 8.1 The tradeoff analysis decisional rule will be applied for the evaluation of the Proposals. Under this rule, the GS/OAS will evaluate both price and non-price factors and will award the Contract to the Bidder proposing the combination of factors which offers best value to the GS/OAS. Therefore, the GS/OAS reserves the right to consider award to other than the lowest price bidder or the highest technically rated bidder.
- 8.2 All technical evaluation factors, when combined, are significantly more important than cost or price.
- 8.3 The GS/OAS reserves the right to award the contract to multiple contractors rather than a single contractor.
- 8.4 The GS/OAS reserves the right to reject any or all Proposals, and to partially award the Contract.
- 8.5 The award will be notified to the winning Bidder. Such communication shall not be construed as a Contract with the GS/OAS. The award is contingent upon the winning Bidder's acceptance of the terms and conditions of the proposed Contract, which will be drafted by the GS/OAS based on this RFP and the winning Proposal. Consequently, the Contract shall come into effect when signed by both GS/OAS and the duly authorized representative of the winning Bidder.

9. CONTRACTUAL TERMS AND CONDITIONS

9.1 Data Information Usage

- 9.1.1 Contractor shall be liable for improper or incorrect use of the data collected or information disclosed to Contractor by GS/OAS in connection with its Proposal, and/or in connection with any subsequent contract negotiations between GS/OAS and the Contractor.
- 9.1.2 The data and related information are legal documents and are intended to be used as such.

- 9.1.3 Contractor takes full responsibility for any errors or mistakes with respect to its bid proposal. Contractor has used its best efforts to ensure the accuracy, reliability and completeness of its proposal, and agrees that any cost of any modification of proposal or contract terms based on Contractor's error in the information it has provided with its proposal shall be borne solely by Contractor.

9.2 Privileges and Immunities

- 9.2.1 Nothing in the Contract shall constitute an express or implied agreement or waiver by the GS/OAS, or their personnel of their Privileges and Immunities under the OAS Charter, the laws of the United States of America, or international law.
- 9.2.2 Contractor is not entitled to any of the exemptions, privileges or immunities, which the GS/OAS may enjoy arising from GS/OAS status as a public international organization.

9.3 Indemnification to Third Parties for Contractor's Negligent or Wrongful Acts

- 9.3.1 Contractor shall fully indemnify and hold harmless the Organization of American States, GS/OAS, and its officials, employees, agents, affiliates, successors and assigns from and against: (i) all claims, damages, actions, liabilities, losses, fines and penalties, and expenses, including but not limited to attorneys' fees, arising out of or resulting from Contractor's negligence or deliberate wrongful acts in relation to the Contract, and (ii) worker compensation claims and actions presented by Contractor's employees and agents.
- 9.3.2 GS/OAS shall notify Contractor as soon as reasonably practicable after any claim covered by this Section is made against it or, with respect to any such claim made against any other person or identity entitled to indemnification under the Contract, within a reasonably practicable time after having been notified of that claim.
- 9.3.3 Contractor is liable to GS/OAS and shall indemnify GS/OAS for losses to GS/OAS' property sustained through any acts committed by Contractor's employees, agents, and/or subcontractors acting alone or in collusion. Such acts include, but are not limited to, actual destruction, disappearance, or wrongful abstraction of property, money, or securities.
- 9.3.4 The provisions of this Section shall not be so construed as to affect any waiver of subrogation rights on the part of any insurance company, as provided in any policy of insurance covering GS/OAS.

9.4 Due Diligence and Information on the Contract

- 9.4.1 By submitting a Proposal, the Bidder represents and warrants that it has studied and is thoroughly familiarized with the requirements and specifications of the Contract in their entirety. This includes familiarity with the Contract Documents attached to the RFP, with all current equipment, labor, material market conditions, and with applicable laws, such that the Bidder accepts responsibility for and is prepared to execute and shall completely fulfill all obligations under the Contract.
- 9.4.2 By submitting a Proposal, the Bidder also accepts that it will not make any claim for or have any right to damages because of any misinterpretation or misunderstanding of the

Contract, or because of any information which is known or should have been known to the Bidder.

9.5 Key Personnel

- 9.5.1 The personnel listed in the Contractor's Proposal are considered essential to the work being performed under this Contract. Before removing, replacing, or diverting any of the specified personnel, the Contractor shall (1) notify the GS/OAS reasonably in advance and (2) submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on this Contract.
- 9.5.2 The Contractor shall make no diversion without the GS/OAS' written consent; provided, that the GS/OAS may ratify in writing the proposed change, and that ratification shall constitute the GS/OAS' consent required by this clause.

9.6 Subcontractors

- 9.6.1 The Contractor may enter into a contract or contractual action for the purpose of obtaining supplies, materials, equipment, or services under the Contract.
- 9.6.2 GS/OAS' written consent is required for the Contractor to enter into a particular subcontract.
- 9.6.3 Contractor is fully responsible for Contract performance, regardless of any team arrangement between the Contractor and its Subcontractors.

9.7 Other Contractual Terms and Conditions

- 9.7.1 Appendix 2 of this RFP contains the Contractual Terms and Conditions of GS/OAS' standard Performance Contract (CPR).
- 9.7.2 No changes to the General Terms and Conditions shall be accepted after the contract award. Once the Contract is awarded, the Contractor shall be bound by the General Terms and Conditions either as stated herein in the RFP or as mutually modified by the Parties.

APPENDIX 1

TERMS OF REFERENCE

POWER INTERCONNECTION PRE-FEASIBILITY STUDY BETWEEN ST KITTS AND NEVIS AND PUERTO RICO

1. Background

- 1.1 Caribbean islands, including St. Kitts and Nevis and Puerto Rico, face crucial energy challenges, in particular related to managing their high dependence on imported oil (oil derivatives and other fossil fuels) to fuel their power sector leading to high electricity rates that impacts the livelihood and economic resilience of these nations.
- 1.2 In the Federation of St. Kitts and Nevis (SKN), the Nevis Electricity Company (NEVLEC) operates as monopoly with exclusive authority for production, transmission and distribution on the island of Nevis. The Geothermal Resources Agency Committee coordinates renewable energy policy according to the Nevis Geothermal Resources Development Ordinance (2008). In St. Kitts, the utility, St. Kitts Electricity Department (SKED) is a department of government which is undergoing a process of corporatization and also operates as monopoly. The total installed generation on both islands is about 50 MW (1.6 MW wind), and peak demand is 9 MW in Nevis and 30 MW in St. Kitts.
- 1.3 In Puerto Rico (PR), the Puerto Rico Electric Power Authority (PREPA) is a modern utility and operates as a public corporation of the Government of Puerto Rico. PREPA has over 5GW generation capacity, of which 507 MW is produced by natural gas and 454 MW by the coal fired plants. PREPA's generating system is comprised also of steam power plants, combined cycle units, combustion turbines generating plants, hydroelectric units and diesel generators. PREPA's peak load is about 3.7 GW. PREPA has adopted aggressive fuel diversification plan with a goal of transition to LNG for 71% of its generating capacity by 2014. Also, PREPA is planning to have 10% renewables based generation capacity by 2014. Furthermore there is an existing 38 kV submarine line connecting Puerto Rico to the islands of Vieques and Culebra.
- 1.4 From Saba in the north to St. Vincent in the south of the Caribbean, active volcanoes and surface hydrothermal manifestations exist on each of the islands in the archipelago. The thermal energy available on these volcanic islands makes them of interest for geothermal explorations. According to various sources, estimates of geothermal resource availability in eastern Caribbean vary from 450MW to several GWs.
- 1.5 Based on a 2009 World Bank commissioned study, conducted by Nexant, on "Caribbean regional electricity generation, interconnection and fuel supply options", inter-island electrical interconnections in the Caribbean are deemed attractive and rational options to allow for the creation of economies of scale to promote and facilitate the deployment of renewable energy technologies (RETs) to allow for the generation and distribution of lower cost electricity and incentivize regional integration. Since such electrical interconnection is not in place and operational in the Caribbean region analyses are warranted when planning for possible interconnection routes between island nations.
- 1.6 The Federation of St. Kitts and Nevis has significant geothermal power generation potential up to several hundreds of MWs and is considered a low hanging fruit option with the potential to

supply power beyond the current and future power demand needs of the twin-island federation. According to the World Bank report, a 400MW interconnection between Nevis and Puerto Rico can become highly economic if geothermal electric power from Nevis replaces heavy fuel oil (HFO) in Puerto Rico. According to the same study, such connection may not be economic if displaced fuel in Puerto Rico is liquefied natural gas (LNG). This demands a speedy, comprehensive and collaborative effort between the islands involved prior to committing to any energy supply alternative that may result to be less sustainable and beneficial to involved parties.

- 1.7 Recognizing this opportunity and urgency for action, the Government of the Federation of Saint Kitts and Nevis via its Ministry of Housing, Energy, Public Works and Utilities has requested the OAS' assistance in the design, execution and supervision of a pre-feasibility study of an inter-island electricity interconnection between the Federation and Puerto Rico. Acknowledging the considerable strides made by the Federation towards the development of clean renewable and lower cost energy from renewable natural resources with which the Federation is blessed, including geothermal heat, that offer the potential to produce excess power that may be exported to other islands.
- 1.8 Furthermore as per May 2011, a draft National Energy Policy ("NEP") is being revised and finalized by the Government of St. Kitts and Nevis, with a strong focus on geothermal energy as one of the low-hanging fruits to be pursued for the contribution of safe, efficient, reliable, affordable and environmentally friendly electricity generation and supply to all its citizens.
- 1.9 Puerto Rico on its turn is aiming to diversify its energy supply matrix and recognizes the potential of greening and providing lower cost electricity to its citizens.
- 1.10 The GS/OAS therefore is requesting the services of a specialized company to produce a pre-feasibility study of the inter-island electrical interconnection between the Federation of St. Kitts and Nevis and Puerto Rico. This shall be done in a manner consistent with the official position of both countries' governments, its relevant public and private stakeholders, and in consideration of the state and sustainability of their respective energy sectors. The pre-feasibility study will be financed by the ECPA Caribbean Initiative with funds originating from the U.S. Department of State.

2. The Project

- 2.1 The primary objective of this consultancy is to produce a pre-feasibility study of the inter-island electrical interconnection between the Federation of St. Kitts and Nevis and Puerto Rico with possible involvement of U.S. Virgin Islands (USVI).
- 2.2 The principle components of this pre-feasibility study are (1) to conduct an evaluation to determine technical requirements and (2) providing cost assessments of each of the proposed interconnection alternatives and technologies contemplated.

3. Pre-Conditions

- 3.1 The work in the proposed feasibility study consists of developing suitable technical and cost-effective submarine cable solutions for the delivery of renewable geothermal electrical power from the islands of SKN to PR and USVI.

3.2 The motivating factor for performing this study is the availability of large geothermal generation potential in the island of Nevis. The purpose of the study is to determine if this geothermal power can be delivered to major load centers in PR in economically feasible manner. The islands of USVI (due to their geographical location) can be considered as intermediate landing points for the high capacity cable connecting SKN and PR. The benefits of such interconnection for both PR and USVI include access to clean and stable base load energy source from Nevis, diversification of their energy supplies and reduction of dependence on imported fossil fuels. This prospective electrical interconnection can be viewed as an integral component of a possible future electrical highway interconnecting the Eastern Caribbean region. Such regional interconnection is considered to become a key factor for reducing energy costs and large scale integration of renewable energy.

3.3 The following possible interconnections must be specified for the purposes of this study, namely:

- 1) Interconnection 1 – This interconnection consists of two parts. First part, an approximately 140 mile (220 km) long Interconnection between SKN and St. Croix (STX) is envisaged as an HVDC link with a minimum power transmission capacity of 200 MW (maximum capacity TBD). Only up to 50MW of transmission capacity is for consumption in STX. Second part, is an interconnection between STX and PR, and is also envisaged as an HVDC link which this study will have to confirm. The length of this part of interconnection varies between 90-120 miles (140-190 km) depending on a location of cable landing point in PR.
- 2) Interconnection 2 – This interconnection also consists of two parts. First part, an approximately 170 mile (270 km) long Interconnection between SKN and STT is envisaged as an HVDC link with a minimum power transmission capacity of 200 MW (maximum capacity TBD). Only up to 80MW of transmission capacity is for consumption in STT. Second part, is an interconnection between STT and PR, and is also envisaged as an HVDC link. The length of this part of interconnection is about 50 miles (75 km).
- 3) Interconnection 3 – This Interconnection links SKN directly with PR without intermediate cable landing point in USVI. The length of this interconnection for the South route can be 230-260 miles (360-410 km) depending on a location of landing point in PR, and 220 miles (345 km) for the North route. This interconnection is also envisaged as an HVDC link with a minimum power transmission capacity of 200 MW (maximum capacity TBD).

This study does not include any research related to geothermal resource assessment in SKN. The SKN geothermal potential will be evaluated based on literature overview and conversations with local utility staff. Configurations for future geothermal power plants will be selected from technical literature as well.

4. Scope of Work

4.1 Institutional Organization

- 4.1.1 **Kickoff Meeting, Sites Visit and Data Gathering** – to initiate the study, gather all necessary study data and models from NEVLEC, SKED, PREPA and VIWAPA; define power transfer capability, landing points of each interconnection, and other basic parameters;
- 4.1.2 **Draft Study Plan** – will include assumptions for modeling the interconnections, study

configurations, maximum transfer capacity for each cable, and cable performance evaluation criteria.

4.2 Dimensioning the System

- 4.2.1 **Description and analysis of the power sector in St. Kitts and Nevis and Puerto Rico (and/or USVI)** – This review will analyze the existing structure of the power markets in both countries, including a description of the relevant regulatory frameworks, and the relevant legal provisions that would affect the operation of the international interconnection. Review and assess the current market structure (including key players, country context, etc.). Describe the supply chain and cost of power generation and the particular challenges the countries face.
- 4.2.2 **Electricity supply and demand analysis of the two countries over the next 30 years** – Review background data on electricity supply and demand and carry out a power supply and demand analysis or back casting scenario methods in each country. This will include on the supply side an overview of master plans / roadmaps / energy strategy / market development to understand the alternatives planned by the Government and Utility. Assess and analyze individual country power generation options and committed projects to meeting future demand considering energy demand and supply forecasts and analysis, minimizing generation and transmission investments to meet future power demand. The analysis should be for a 30-year horizon. The assessment will, on this basis, analyze the potential demand for services from an interconnection (including for both energy and capacity, including for reserve margins, etc.).
- 4.2.3 **Assessment of options for power supply** – Compare costs of various different power generation options (i.e., size and capacity) and technologies, in part to provide a basis for comparison of the interconnector vs. other supply options. This will include a cost assessment of various fuels and technologies, including upgrading/refitting existing oil and diesel fired power generation, fossil fuel development (coal, natural gas), renewable (i.e., geothermal, hydro, solar, and wind) and possible energy storage technologies.

4.3 Technical Assessment and Costs of Interconnection

- 4.3.1 **Assessment of the technical aspects of the submarine cable interconnection** – This will include a description of the types of submarine power transmission cable technology currently available, their ranges of application (in terms of current and voltage, transmission capacity, transmission distance and water depth, etc.) as they may pertain to the interconnection. This will also include a discussion of routing options and of different contemplated technologies. Different potential sizing (cable capacity, substations) will also be reviewed. Any specific technical requirements for renewable energy based power generation (such as geothermal and or future wind energy) should also be included. The main output should be the suggested optimum and cost effective cable solutions for all interconnections specified in Section 3.2 above, provide cable cost estimates, and discuss reliability considerations.
- 4.3.2 **Power System Studies** – the objective is to review existing transmission and generation development plans, selection of study scenarios, steady and stability state assessment, short circuit analysis. Power system studies results including rating and locations for new equipment, network and substation modifications, protection modifications, and

operational solutions will be identified. The analysis should include the identification and the assessment of the various risks associated with the interconnection.

- 4.3.3 **Interconnection Risks Assessment** – This activity includes (but is not limited to) market demand and supply risk, construction risk and challenges, interconnection operation risks, permitting risks, off-take/purchaser risks, and counterparty risks in both, the St. Kitts and Nevis and Puerto Rico.
- 4.3.4 **Identification of Environmental and Social considerations** – The report should in summary form identify potential environmental and social (including resettlement and land acquisition) issues, and the implications of different options (e.g., routing, etc.).
- 4.3.5 **Identification of Costs** – This will set out the estimated capital and operating costs for the submarine interconnection and related infrastructure. Different costs will be developed to respond to different technical choices (including different capacities, AC vs. DC technology, and routing alternatives). The principal output should be a high level estimate of the project cost for each option to determine the budgetary requirements.

4.4 Team Composition

The interested company will have to demonstrate its expertise in the electricity sector and in working on cross-border infrastructure investments. The team should have the technical expertise regarding submarine cables. The team will include appropriate financial experts and be familiar with principles of economic analysis (relevant for SKN and PR). The team should also have experience with power generation technologies, such as LNG, HFO, and renewable, and with the technical and financial issues regarding sub-marine electrical interconnection infrastructure. The team must be able to communicate effectively in both English and Spanish with SKN and PR authorities.

4.5 Deliverables

The following lists the project deliverables:

- Kickoff conference meeting
- Draft study plan (in electronic form)
- Interim report #1
- Interim report #2
- Draft study report (in electronic form)
- Final study report (in electronic form)

Final Report – the results from above described deliverables and/or tasks will be summarized in Draft Project Report and submitted to OAS, GoPR, PREPA, GoVI, VIWAPA, GoSKN (including Nevis Island Administration – NIA), NEVLEC and SKED for review and comments. Upon receipt of comments the report will be revised and Final Project Report will be issued.

4.6 Timeframe

The anticipated period for completion of the Services described herein will be within ten (10) months upon the signature of the Contract.

A kick-off mission by the Contractor will be carried out during the inception phase to meet with the DSD/OAS team, and with relevant stakeholders (including in SKN, PR and USVI), to collect relevant information and to initiate dialogue. During the analysis and consultation phase the consultant will organize relevant visits to the Puerto Rico, U.S. Virgin Islands and St. Kitts and Nevis to carry out the analytical work. One dissemination visit is planned for the consultant to present the findings to relevant governments and regional bodies.

APPENDIX 2

CONTRACTUAL TERMS AND CONDITIONS

1. Contractor is neither an employee nor a staff member of GS/OAS and is not entitled to any of the rights, benefits, and emoluments of GS/OAS staff members.
2. Contractor undertakes to perform Contractor's functions under this Contract and to regulate Contractor's conduct in conformity with the nature, purposes, and interests of the GS/OAS. Contractor shall complete the Work in accordance with the highest professional standards and shall conform to all governmental pertinent laws and regulations.
3. Contractor accepts full legal responsibility for the Work, including all liability for any damages or claims arising from it, and agrees to hold GS/OAS and its staff members harmless from all such damages or claims. Contractor shall provide certificates of insurance coverage as GS/OAS may require for proof of ability to cover such liability.
4. Contractor does not legally represent GS/OAS, shall not hold himself out as having such powers of representation, and shall not sign commitments binding GS/OAS.
5. Contractor shall not have any title, copyright, patent, or other proprietary rights in any Work furnished under this Contract. All such rights shall lie with GS/OAS. At the request of GS/OAS, the Contractor shall assist in securing the intellectual property rights produced under this Contract and in transferring them to GS/OAS.
6. All information (including files, documents, and electronic data, regardless of the media it is in) belonging to GS/OAS and used by Contractor in the performance of this Contract shall remain the property of GS/OAS. Unless otherwise provided in the Terms of Reference (Annex I), Contractor shall not retain such information, and copies thereof beyond the termination date of this Contract, and Contractor shall not use such information for any purpose other than for completion of the Work.
7. Administrative Memorandum No. 90 "Information Systems Security Policy", Executive Order No. 95-07 "Prohibitions against Sexual Harassment", and Executive Order No. 05-07 "Prohibition Against Workplace Harassment", are readily available at <http://www.oas.org/legal/intro.htm>. Contractor certifies that he has read those documents and agrees to comply fully with them.
8. The Gross Compensation paid Contractor constitutes full consideration for the Work. It covers all fees, expenses, and costs incurred by Contractor in providing the Work, as well as Contractor's direct compensation for same.
9. Because Contractor is an independent contractor, GS/OAS is not responsible for providing social security, workmen's compensation, health, accident and life insurance, vacation leave, sick leave, or any other such emoluments for Contractor and his employees under this Contract. Contractor is solely responsible for providing those benefits, and the Parties have agreed upon the Gross Compensation hereunder to enable Contractor to satisfy that responsibility. At the request of GS/OAS, the Contractor will provide satisfactory evidence of workman's compensation and other insurance coverage that may be required for all its employees or such Contractors.
10. Contractor warrants that his performance of the Work will not violate applicable immigration laws, and Contractor shall not employ any person for the performance of this Contract where such employment would violate those laws.
11. Unless otherwise specified in this Contract, Contractor shall have the sole responsibility for making Contractor's travel, visa, and/or customs arrangements related to and/or required for the performance of this Contract, and GS/OAS shall have no responsibility for making or securing such arrangements.
12. This Contract shall be null and void in the event the Contractor is unable to obtain a valid visa and other permits or licenses necessary to complete the Work in the country where the Contract is to be performed.

13. Unless otherwise specified in this Contract, Contractor shall neither seek nor accept instructions regarding the Work from any government or from any authority external to the GS/OAS. During the period of this Contract, Contractor may not engage in any activity that is incompatible with the discharge of Contractor's obligations under this Contract. Contractor must exercise the utmost discretion in all matters of official business for GS/OAS. Contractor may not communicate at any time to any other person, government, or authority external to GS/OAS any information known to him by reason of his association with GS/OAS which has not been made public, except in the course of the performance of Contractor's obligations under this Contract or by written authorization of the Secretary General or his designate; nor shall Contractor at any time use such information to private advantage. These obligations do not lapse upon Contract termination. Failure to comply with these obligations is cause for termination of this Contract.
14. Unless specifically provided for in this Contract¹ in accordance with CPR Rule 5.13.1, the Contractor may not directly supervise a GS/OAS staff member or direct a project or mission that requires the Contractor to supervise GS/OAS staff members.
15. Contractor shall not openly participate in campaign activities for or otherwise openly support and or promote any candidate for elected positions in the OAS; nor shall Contractor use the facilities of the GS/OAS and/or its staff provided to him under this Contract to support and promote the candidacy of any candidate for an elected position in the OAS.
16. GS/OAS may terminate this Contract for cause with five days notice in writing to the Contractor. Cause includes, but is not limited to: failure to complete the Work in accordance with professional standards or to otherwise deliver conforming goods and services; failure to meet deadlines; conduct which damages or could damage relations between the OAS and a member state; fraudulent misrepresentation; criminal indictment; sexual harassment; workplace harassment; bankruptcy; conduct incommensurate with the requirements for participation in OAS activities; and breach of any of the provisions of this Contract.
17. Either party may terminate this Contract for unforeseen circumstances by giving at least thirty days notice in writing to the other. Unforeseen circumstances include, but are not limited to, modifications to the Program-Budget of the OAS; lack of approved funds in the OAS Program-Budget for the corresponding program or project; failure of a donor to provide fully the specific funds which were to finance this Contract; an act of God; and the Secretary General's or a member state's desire to discontinue the Work.
18. In the event this Contract is terminated with or without cause, Contractor shall submit to GS/OAS all of the Work completed and shall receive payment for only that portion of the Work completed to the satisfaction of GS/OAS up until the date of termination.
19. Contractor certifies that:
 - a) Neither the Contractor nor any of its senior officers and employees, on the date of the signing of this Contract, is a relative of any GS/OAS staff member above the P-3 level or of a representative or delegate to the OAS from an OAS Member State. The term "relative" includes spouse, son or daughter, stepson or stepdaughter, father or mother, stepfather or stepmother, brother or sister, half brother or half sister, stepbrother or stepsister, father or mother-in-law, son or daughter-in-law, brother or sister-in-law.
 - b) He is not incompetent to enter into this Contract, is not on trial in a criminal court of any of the member states, and has never been convicted of a felony or of any crime involving dishonesty, fraud or theft in any member state.
 - c) Completion of the Work shall not interfere with the completion of work for which he is responsible under any other contract with GS/OAS.
20. Contractor shall not employ a staff member of GS/OAS or a relative of a staff member as defined

1 Any such provision must comply with the requirements of CPR Rule 5.13.1 in Executive Order No. 05-04, Corr. No. 1 at <http://www.oas.org/legal/english/gensec/EXOR0504CORR1.doc>.

in Paragraph 19 (a) above to perform the Work, nor shall Contractor permit any staff member of GS/OAS or any relative of the staff member, as defined in that Paragraph, to receive any personal financial benefit deriving from this Contract or the Contractor's contractual relationship with GS/OAS.

21. Contractor shall not assign this Contract or any element thereof, without the prior written consent of GS/OAS.
22. Upon written notice by either Party to the other, any dispute between the Parties arising out of this Contract may be submitted to either the Inter-American Commercial Arbitration Commission or the American Arbitration Association, for final and binding arbitration in accordance with the selected entity's rules. The law applicable to the Arbitration proceedings shall be the law of the District of Columbia, USA, and the language of the arbitration shall be English.
23. Nothing in this Contract constitutes an express or implied waiver by GS/OAS of its privileges and immunities under the laws of the United States of America or international law.
24. This Contract shall enter into effect on the date on which it is signed by both Parties. Provided, further, that this Contract shall have no legal effect until it has been signed by both Contractor and a duly authorized representative of the GS/OAS.
25. The law applicable to this Contract is the law of the District of Columbia, USA.
26. This Contract, including Annexes I-III, constitutes the entire agreement between the Parties, and any representation, inducement, or other statements not expressly contained herein shall not be binding on the Parties and shall have no legal effect.
27. The masculine terms employed in this Contract should be understood to apply to males, females and legal persons; singular pronouns should be understood to apply to the plural, when appropriate.

APPENDIX 3

FORMAT 1

ACCEPTANCE OF THE CONTRACTUAL TERMS AND CONDITIONS STATEMENT

General Secretariat of the Organization of American States
1889 F Street, N.W., 4th Floor,
Washington, D.C. 20006
USA

Attention: Office of Procurement Services

Subject: GS/OAS BID No. 14/11 – POWER INTERCONNECTION PRE-
FEASIBILITY STUDY BETWEEN ST KITTS AND NEVIS AND PUERTO
RICO

I _____, representative of _____ (*Bidder's name*), declare
that that _____ (*Bidder's name*) has read, understood and accepted the Contractual Terms
and Conditions as per Appendix 2 of the Request of Proposals of the BID 14/11

Sincerely,

APPENDIX 3

FORMAT 2

CONFLICT OF INTEREST STATEMENT

General Secretariat of the Organization of American States
1889 F Street, N.W., 4th Floor,
Washington, D.C. 20006
USA

Attention: Office of Procurement Services

Subject: GS/OAS BID No. 14/11 – POWER INTERCONNECTION PRE-
FEASIBILITY STUDY BETWEEN ST KITTS AND NEVIS AND PUERTO
RICO

I _____, representative of _____ (*Bidder's name*), declare
that _____ (*Bidder's name*) does not fall under the following prohibitions:

- a) A staff member of GS/OAS;
- b) Any person who has held the post of Secretary General or Assistant Secretary General, or a position of trust unless the contract is approved by the Secretary General or the Chief of Staff of the Secretary General;
- c) Any delegate, diplomatic representative, or other government employee of an OAS Member State;
- d) Any relative of a GS/OAS staff member above the P-3 level or a relative of any other GS/OAS staff member who has authority to issue the subject contract;
- e) Any relative of a representative or delegate of a Member State to the OAS;
- f) Any person who has entered into a performance contract terminated by GS/OAS for cause under Chapter 8 of the Performance Contract Rules;
- g) Any person employed by an institution that is receiving funds from the GS/OAS as part of a GS/OAS project, except in those cases where the employee is on leave without pay from that institution;
- h) Any person who is legally incompetent; any person who is on trial in a criminal court of any OAS Member State; or any person convicted of a serious criminal offense in one of the Member States;

- i) Any person who has defaulted on and/or failed to perform satisfactorily an existing or previous performance contract or procurement contract with GS/OAS;
- j) Any person who does not have a valid visa to work in the country where the performance contract is to be performed and who cannot obtain one prior to the contract initiation date;
- k) Any elected official of an OAS Organ, unless the performance contract is not for or in relation to the organ on which the official serves.

Sincerely,
