



Generating Power for Generations

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## INTERNATIONAL BIDDING INVITATION

EXPRESSION OF INTEREST (EOI) FOR CONSTRUCTION AND INTEGRATION OF 1.5MW SOLAR PV WITH DIESEL ELECTRICITY GENERATION AT LIKOMA AND CHIZUMULU ISLANDS

Issued by: Electricity Generation Company (Malawi) Limited (EGENCO)

June 11, 2018

Responses due by 2:00p.m. on 02/07/2018

To: The IPC Chairman,  
Electricity Generation Company (Malawi) Limited (EGENCO)  
No. 7 Victoria Avenue  
Chayamba Building  
P.O. Box 1567  
Blantyre, Malawi

## 1. Background

The Electricity Generation Company (Malawi) Ltd (EGENCO) is a company wholly owned by the Government of Malawi. EGENCO was incorporated on 9th September 2016 as a public company under the Companies Act (Cap 46:03) and commenced its full operations on 1st January 2017. EGENCO is mandated to generate electricity and has a total installed capacity of 373.37MW, being 350.8MW hydro and 22.57MW of diesel generators.

Unlike mainland Malawi where electricity is supplied by grid connected hydro and diesel power plants, off-grid diesel generators supply electricity on Likoma and Chizumulu Islands. Currently EGENCO incurs excessive costs in operating diesel generators at the two islands. In addition, EGENCO is facing logistical challenges in managing fuel supply for the plants. In order to reduce costs, the diesel generators are run for only 14 hours per day i.e. from 06:00 hours to 12:00 hours and from 14:00 hours to 22:00 hours. This compromises delivery of essential services such as water pumping, health, telecommunication, and the hospitality industry. EGENCO therefore intends to implement a 1.5MW Solar Photovoltaic (PV) electricity generation to be integrated with the existing diesel generation system on Likoma and Chizumulu Islands.

## 2. Goal of the Project

The main goal of the project is to reduce cost of electricity generation and subsequently increase hours of electricity supply on Likoma and Chizumulu Islands to 24 hours per day. The project will also help minimize the challenges facing EGENCO in handling fuel supplies for the power plants.

## 3. Project Description

The proposed project involves the construction and integration of a 1000kW Solar PV electricity generation at Likoma and 500kW Solar PV electricity generation at Chizumulu with existing diesel power plants. The generated electricity will be distributed to households, businesses, and social services using existing grid networks on the islands.

## 4. Scope of the Project

The salient features of the Project are as follows:

- i. Supply and installation of materials for 1000kW Solar PV system on Likoma Island.
- ii. Supply and installation of materials for 500kW Solar PV system on Chizumulu Island.
- iii. Supply and installation of materials for power lines to selected connection points to the existing grid on Likoma and Chizumulu Islands.
- iv. All related Project civil works.
- v. Supply and installation of facilities for the hybridization of Solar PV and Diesel generation systems at Likoma and Chizumulu Islands.
- vi. Testing and commissioning of the systems at Likoma and Chizumulu Islands.

This Expression of Interest (EOI) intends to identify qualified Solar PV Contractors (Proponents) to carry out all the elements described above.

## 5. Eligibility Criteria for Qualified Proponents

Proponents are required to demonstrate their ability to implement Solar PV energy systems including but not limited to material selection, engineering project management, standards and regulation compliance, supply of all equipment/material/labour, delivery, installation and civil works, interconnection, commissioning of ground mounted Solar PV on the two islands.

To qualify for shortlisting, Proponents must submit all the information required to prove that they are qualified to do the specified works. The Submission should meet the following criteria:

### 5.1 Project Experience

- A. Proponents with experience in Construction of Solar PV Electricity Generation Systems registered with Malawi National Construction Industry Council (NCIC) or equivalent institution (for international Proponents) in a MK1 billion category and above or joint ventures based on NCIC guidelines for the purposes of meeting the category requirements may submit their Expression of Interest (EOI) for this Project. International bidders should abide by regulations for subcontracting and Joint Ventures by foreign and Malawian construction firms (NCIC Regulations for Joint Ventures and subcontracting, January 2014).
- B. Proponents shall be required to demonstrate experience of developing and constructing Solar PV hybrid power systems by providing the following information:
  - i. Corporate Profile including relevant registration certificates such as business registration certificates, valid tax clearance certificates and NCIC category or Joint Venture documentation or equivalent registration in the country of origin. For Joint Ventures or Consortia, the Proponent shall indicate the role of each Firm including the level of shareholding within the Joint Venture or Consortium.
  - ii. Qualifications of Personnel including permits for renewable energy projects installations from the Malawi Energy Regulatory Authority or equivalent Regulatory Body in country of origin.
  - iii. Proposed Subcontractors or evidence of local partnerships for international bidders.
  - iv. Experience reference on at least five similar projects which includes:
    - a. At least one off-grid or grid-connected Solar PV power plant in Africa with a minimum capacity of 1MW;



- b. At least one off-grid or grid-connected Solar PV power plant anywhere in the world with a minimum capacity of 5MW;
- c. At least one off-grid or grid-connected Solar PV-diesel Hybrid power plant anywhere in the world with a minimum capacity of 5MW
- v. For a power plant to be recognized as evidence of meeting the above criteria (Experience reference, paragraph iv),
- a. In the case of a Joint Venture or Consortium, the relevant experience must reside within the leading Firm in this EOI;
- b. The Proponent must submit traceable references for the projects (a-c listed in paragraph iv above -Experience reference) as objective evidence to confirm that the work was done in a satisfactory manner for the previous clients.

## 5.2 Financial Status

- A. The Proponent (the leading Firm in the case of a Joint Venture or Consortium) shall provide audited financial statements duly certified by a public accountant for the most recent two full financial years including in each case a consolidated balance sheet, income statement, statement of cash flows and accompanying notes.
- B. Proponents shall be required to demonstrate their financial capacity to develop and construct Solar PV hybrid power systems by:
  - i. If the Proponent is a single entity, such entity shall have had a Net Assets of at least US\$8 million as at the end of each of the most recent two full financial years for which audited financial statements are available as at the deadline for responding to this EOI.
  - ii. If the Proponent is a Consortium, then the leading Firms shall, between them, have had Net Assets of at least US\$8 million.
- C. Proponents should also indicate if they have ever developed a project with own finance or through an export credit facility and whether they have the ability to finance the Project or obtain an export credit facility to develop this Project.

## 5.3 Legal Status

- A. For the purposes of the Process, this EOI, Relevant Person means, with respect to a person:
  - i. Any company controlling, controlled by or under common control with such person;
  - ii. Any director, senior executive or manager either of such person or of any company referred to in paragraph (i);
  - iii. Any consultant, agent or representative supporting such person in connection with the Process or the Project; and
  - iv. Any person with an aggregate ultimate beneficial interest in at least 5% of the share capital or ownership interest in such person (howsoever held).
- B. The Proponent (or each Consortia Member in case of Consortia) shall provide a letter duly signed by its Authorized Signatory indicating that the Proponent or Consortia Member (in case of Consortia) has satisfied all of the following legal requirements:
  - i. It and all Relevant Persons are not in bankruptcy or liquidation, or receivership, or wound up, or their affairs are not being administered by a court or a judicial officer, or their business activities have not been suspended or they are not the subject of legal proceedings of any of the foregoing and have a reasonable expectation of being able to discharge all financial liabilities as they fall due;
  - ii. Neither it nor any Relevant Person has been convicted of fraud, corruption, collusion or money laundering or for a criminal act involving dishonesty, physical violence or intentional harm to human life, or for any criminal offence related to their professional conduct within a period of five years of commencement of the procurement proceedings, nor is the subject of credible and/or persistent allegations related to, or is under investigation for, such criminal activities;
  - iii. It is not aware of any conflict of interest or potential conflict of interest arising from prior or existing contracts or relationships which affects or could affect its or (upon formation) the Proponent's potential involvement in the Project (other than supply or service agreements among members of the Consortia Member's corporate group in the ordinary course);
  - iv. Neither it nor any Relevant Person has any tax liabilities, outstanding social security contributions or liabilities in respect of judgments awarded by any court or similar proceedings in the period of three years prior to the date of this invitation, save in each case to the extent that it has made suitable accounting provision for such liabilities in accordance with applicable accounting regulations;
  - v. Neither it nor any Relevant Person has previously been excluded from tender or other public procurement processes in Malawi;
  - vi. Neither it nor any Relevant Person:
    - a. Is included as a debarred person pursuant on the public sanctions list of any multilateral development bank that is party to the Agreement on Mutual Enforcement of Debarment Decisions of 9 April 2010 ([www.crossdebarment.org](http://www.crossdebarment.org)); or
    - b. Is included on any sanctions lists promulgated by the UN Security Council or its Committees, or any other recognized international sanctions list; and
  - vii. Neither it nor any Relevant Person has operations (directly or

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through any subsidiary) or carries out transactions that do not comply with the sanctions promulgated by the UN Security Council or its Committees or national sanctions in Malawi.

- C. The Proponent or Consortium Member (in case of Consortia) shall also provide the following:
- A power of attorney authorizing the person(s) signing and submitting the EOI and subsequent RFP on behalf of the relevant Proponent so to do, satisfying all authentication formalities.
  - A comprehensive organization chart showing – or narrative text describing – how it is owned, up to the level of ultimate beneficial ownership by individuals and identifying by name all legal or natural persons holding (at any level in the organization structure) an aggregate ultimate beneficial interest of at least 5%;
  - Certified copies of up-to-date constitutional documents (e.g. certificate of incorporation and/or registration, extract from commercial registry, by-laws)

#### 6. Evaluation of Submitted Applications

- A. EGENCO shall first examine each Submission to determine whether it is complete in form and substance.
- B. In the event of any inconsistency between the original and any of the copies making up a Submission, the original shall prevail.
- C. Where EGENCO deems it convenient or necessary for clarification purposes, it may – but shall not be so obliged – request supplementary information or documentation from a Proponent (whether relating to such Proponent, any Consortium Member, the relevant Submission or any document submitted as part thereof or otherwise in connection therewith) for determining its eligibility. Whenever such request is made, the Proponent shall provide the required information or documentation to EGENCO within the time as is specified in the request from EGENCO.
- D. Once EGENCO has concluded the clarification process contemplated in paragraph C above (if any), it shall proceed to formal evaluation of the Submissions. Such evaluation shall be on a simple "Pass/Fail" basis as follows:
- Any Proponent whose Submission demonstrates compliance with the Eligibility Criteria for Qualified Proponents (Section 5 of this EOI) shall be designated as a "Pass".
  - Any Proponent whose Submission fails to demonstrate compliance with the Eligibility Criteria for Qualified Proponents (Section 5 of this EOI) shall be designated as a "Fail".
- E. EGENCO reserves the right to disregard minor deviations from the formal Eligibility Criteria for Qualified Proponents (Section 5 of this EOI), provided that it is clear from the relevant Proponent's Submission (and from any subsequent clarifications sought for) that the Proponent satisfies all the other Requirements.
- F. EGENCO shall be entitled to disqualify any Proponent if it discovers that any statement in any document provided by such Proponent as part of or in connection with its Submission is or was when made, incorrect or misleading in any material respect.

#### 7. Invitation for Expression of Interest (EOI)

EGENCO is inviting qualified Solar PV Contractors (Proponents) to express interest to Construct and Integrate Solar PV with Diesel Electricity Generation Systems at Likoma and Chizumulu Islands. The successful Proponent will be eligible to respond to a Request for Proposal (RFP) to Construct and Integrate Solar PV with Diesel Electricity Generation Systems for the two islands. The EOI is intended to allow EGENCO evaluate the Proponent's experience and competencies required for this Project.

#### 8. Delivery of Submissions

One original and Two (2) copies of the Expressions of Interest from eligible and interested Proponents who wish to participate in this Project must be submitted in a sealed envelope, clearly marked 'Expression of Interest for Construction and Integration of Solar PV on Likoma and Chizumulu Islands' and shall be delivered to the address below and deposited in the Tender Box located at Floor Number 6, Chayamba Building, No. 7 Victoria Avenue no later than 2:00 p.m. on Monday, 2<sup>nd</sup> July 2018. The Proponents will be required to register with the Procurement Manager on Floor Number 6, Chayamba Building, No. 7 Victoria Avenue before depositing the EOI in the Tender Box. Late submissions and submissions by email and telefax will not be accepted.

#### 9. Important Dates

Task	Milestone Date
Date of Posting	Monday 11 <sup>th</sup> June, 2018
Deadline of request for Clarifications	Wednesday 20 <sup>th</sup> June, 2018
Issue Clarifications on or before	Monday 25 <sup>th</sup> June, 2018
Submission Deadline	Monday 2 <sup>nd</sup> July, 2018
Release of Results of Successful Proponents through Print Media on or before	Friday 3 <sup>rd</sup> August, 2018

**Note:** Although every attempt will be made to meet the milestone dates, EGENCO reserves the right to modify any or all dates at its sole discretion.

#### 10. Inquiries

Proponents may submit questions and request clarifications related to this EOI via e-mail (no telephone contact in this regard) to [wmpisa@egenco.mw](mailto:wmpisa@egenco.mw) no later than 5:00 p.m. on Wednesday 20<sup>th</sup> June, 2018. All questions will be compiled and related responses will be publicly posted (no confidential questions) on EGENCO's website by 25<sup>th</sup> June, 2018.