



GOVERNMENT OF PUERTO RICO
Puerto Rico Electric Power Authority

May 3, 2018

Cost Justification for Procurement of Temporary Generation Units

The US Army Corps of Engineers ("USACE") prepared the attached Risk Assessments and Cost Evaluations dated February 8, 2018 and February 21, 2018 related to acquisition of the temporary mobile generators installed at Palo Seco and Yabucoa. Power is typically transferred from generators to the load through a system of transmission and distribution lines. The USACE analysis considers the current need for generation in areas of the Puerto Rico grid that cannot receive this generation because of damaged transmission and distribution systems. There are ongoing efforts to complete the emergency restoration of these damaged lines as well as future permanent repairs.

It will also be important to have the spare fast response generating capacity available on the island as the work transitions from emergency restoration to permanent repairs over the next two or three years. Even though many of the temporary transmission lines will be in service, there will still be times when lines will be out of service as permanent repairs are being made. These repairs will likely require certain portions of the system to be removed from service requiring these backup generator to ensure a continuous reliable power supply during these outages. The transmission lines may go out of service due to unforeseen circumstances, e.g. effects of high winds, until such time as long term solutions to the transmission resiliency can be accomplished. In addition, the 2018 hurricane season begins on June 1, 2018. The existing fragile system could be damaged even more in the event Puerto Rico is impacted by additional storms in the next 3 to 6 months. If such an event would occur, having portable generation available on the island would provide a significant advantage to a prompt recovery.

Additionally, it is critical for stability of the transmission system that a portion of the island's power generation be actively online and located in the San Juan urban area. One of the existing critical San Juan area PREPA power generating units, Palo Seco Unit 4, is currently undergoing a major rehabilitation program to repair the severely damaged turbine generator and the Unit is expected to be offline until at least September, 2018. The two APR temporary mobile generators at Palo Seco currently provide critical generation to the urban transmission system in the absence of the off-line Unit 4 and will continue to be depended upon until Unit 4 can be successfully returned to commercial operation as planned in Fall, 2018.



The USACE analysis considers the current condition of the system as well as the future needs on the island for the next two years. Data in the attached February 8 document shows that the initial six month lease cost for the single unit at Yabucoa, including operation and maintenance cost, was approximately \$2 million per month. APR provided a quote for O&M of the Yabucoa unit at a cost of \$506,482/month and to provide O&M for the unit at Yabucoa and the two units at Palo Seco for \$975,085/month.

On April 12, 2018, APR offered a proposal* to extend the lease as follows:

Lease Cost: 3 units at \$1 million per month each= \$3 million per month

Operating & Maintenance Cost Services: 3 units at \$300,000per month each = \$900,000

Purchase Price after six months: 3 units total at \$57 million

As an alternative, the three units could be immediately procured for a total cost of \$ 58.5 million along with six months of operations and maintenance services for \$300,000 per month per unit (or \$900,000/month for all three units).

The net savings for procuring the units immediately vs procuring the units at the end of the six-month lease would be \$16.5 million.

	Six-Month Lease & Purchase	Immediate Purchase
Purchase Price Three Units	\$57,000,000	\$58,500,000
Six Month Lease Price Three Units	\$18,000,000	
Six Month Operation & Maintenance Service	\$5,400,000	\$5,400,000
TOTAL	\$80,400,000	\$63,900,000

In addition to the cost information included in the USACE analysis we would also note that since PREPA has contracts for acquisition of larger volumes of fuel, their cost to acquire the fuel is likely at a lower rate than the fuel costs identified in the USACE documents. For example, data in the February 8 document shows that the monthly cost of fuel for a single unit is \$4.2 million per month. Based on current PREPA fuel purchase prices and assuming a heat rate of 10,600 BTU/kWh the PREPA fuel cost to produce approximately 22 MW average at 88% capacity factor would be about \$2.7 million per month. Thus, the fuel savings per unit under the purchase scenario is approximately \$1.5 million per month per unit.

Total fuel cost savings: 3 units at \$1.5 million per month = \$4.5 million per month

Thus, for the initial six month period, the total savings for the three units after acquisition would be: \$43.5 million.

It should also be noted that if the lease is not extended and the contractor removes the equipment only to return it to the island at a later date there would be significant costs related to demobilization and remobilization of the equipment and potentially a risk of higher cost depending upon availability of such units. This could be an additional cost of \$15 million. Since current restoration plans indicate that there

*Reference: APR Energy Proposal Rev. 3 dated April 12, 2018.

will still be transmission lines out of service into September 2018 (Line 37000 from Costa Sur to Ponce) it is expected that the system will not be initially stable to its pre- Hurricane Maria condition for approximately the 6 months beyond the current lease end date (May, 2018). The USACE analysis also discusses a mid-term need (up to 9 months) and long-term needs up to two years. Assuming the units will likely operate in their current state for an additional six months (to mid-November, 2018), purchasing the units would save over \$43.5 million dollars during six months of transmission line restoration through September 2018, plus save the cost of demobilization (assume \$1 million per unit) for a total of \$46.5 million. Even if the units are no longer operated following initial completion of transmission restoration work performed through November, 2018, leasing the units at \$1 million per month per unit (assuming lease option extensions in six month increments over two years) would result in total savings exceeding the proposed purchase price of \$58.5 million within about 15 months after completion of the initial restoration. This would be almost three months before the end of the two-year time frame identified by the USACE.

The table below summarizes the comparative analysis of the lease with no purchase vs. purchase cost:

Option	Purchase	Lease
Purchase Price	\$58,500,000	\$0
Demobilization (\$1 million per unit)	\$0	\$3,000,000
Lease Payment (first 6 months)	\$0	\$18,000,000
Operation and Maintenance (first 6 Months)	\$5,400,000	\$5,400,000
Fuel cost (first 6 months)	\$48,600,000	\$75,600,000
TOTALS – First 6 Months	\$112,500,000	\$102,000,000
Lease Payment (Months 7– 24)*	\$0	\$54,000,000
Operation and Maintenance (Months 7-24)	\$16,200,000	\$16,200,000
TOTALS for Estimated 2 year Restoration Period	\$128,700,000	172,200,000

As noted in the table, the cost comparison for the first six months indicates the total estimated costs for purchase vs lease (with demobilization cost) is approximately \$10 million. If we consider the need for the units for the following additional 18 months to provide redundancy for permanent repairs, as well as have the units available during the 2018 and 2019 hurricane seasons, and we assume the units must be leased for this entire two-year period from May, 2018, the total cost savings to purchase the units is about \$44 million (excluding fuel cost savings over the 18-month permanent repairs period).*

Based on their analysis and additional savings discussed above we agree that the acquisition of the units would be a cost-effective alternative to continued leasing of the units over the long-term period as considered in the USACE analysis.

*The lease savings excludes any fuel savings realized. As stated above, the monthly fuel savings for operating at 88% capacity factor will be approximately \$4.5 million per month. Since it is unclear how much the units will actually operate subsequent to completion of the temporary restoration but before the permanent repairs can be made, those additional savings were not included the above analysis.

If the actual operation is greater than zero, there will be an associated fuel cost savings of about \$100/MW-hr generated. If the units operate at a 10% capacity factor during this time the effective savings would be about an additional \$1 million per month.

Provided By:

A blue ink signature of Norman Spence, written in a cursive style.

Norman Spence
Senior Advisor
Filsinger Energy Partners

A blue ink signature of Jaime Arturo Umpierre Montalvo, written in a stylized, somewhat abstract manner.

Jaime Arturo Umpierre Montalvo
Acting Head
Engineering and Technical Services Division
Generation Directorate

Natalia Martinez Lugo

From: MIGUEL A. DEL VALLE MORALES
Sent: Thursday, November 29, 2018 4:32 PM
To: Natalia Martinez Lugo; Felix A. Hernández Cabán; Reinaldo De León Colón; Delis Tamara Zambrana Colon; EDGARDO DIAZ REYES
Subject: FW: <<EXTERNAL EMAIL>>RE: Next Steps in Mobile Generation

From: Marcus Klintmalm <marcusk@filsingerenergy.com>
Sent: Thursday, November 29, 2018 4:28 PM
To: 'Matt Lee' <mattl@filsingerenergy.com>; nathanp@filsingerenergy.com; Arturo Deliz Vélez <ARTURO.DELIZ@prepa.com>; Adrian Frankum <adrian.frankum@ankura.com>; MIGUEL A. DEL VALLE MORALES <MIGUEL.DELVALLE@prepa.com>
Cc: Scott Rinaldi <scott.rinaldi@ankura.com>
Subject: <<EXTERNAL EMAIL>>RE: Next Steps in Mobile Generation

Team –

Thank you very much for taking the time to meet today. To review:

1. While FEMA has given verbal confirmation that the original “APR” PW can be used for this procurement, the DFMO is still waiting for this letter. DFMO will push on this issue.
 - a. The letter was promised ~2 weeks ago
 - b. It will now be 90% cost share
 - c. FEMA’s Office of Legislative Affairs (OLA) has submitted questions regarding this PW that DFMO is working
 - d. Gustavo is coordinating with COR3 on this
2. Miguel will move forward with the FOMB filing with the caveat that it is pending FEMA PW approval.
3. The DFMO office will provide the FEMA/COR3 Justification letter for Mobile Generation to FEP tomorrow, if not sooner

Again, thank you for your efforts on this issue!

Marcus

MARCUS KLINTMALM
Filsinger Energy Partners
Cell 214.673.8003
marcusk@filsingerenergy.com



THE BUSINESS. THE SCIENCE. THE EXPERTS. IN ENERGY

-----Original Appointment-----

From:
Sent: Thursday, November 29, 2018 11:32 AM
To: Matt Lee; Nathan Pollak; Arturo Deliz Vélez; Adrian Frankum; MIGUEL A. DEL VALLE MORALES
Cc: Scott Rinaldi

Delis Tamara Zambrana Colon

From: Natalia Martínez Lugo
Sent: Monday, November 19, 2018 7:50 PM
To: Delis Tamara Zambrana Colon
Subject: Fwd: NOTAS NEGOCIACION RFP 82695 Mobile Generation Units

Get [Outlook for iOS](#)

From: Natalia Martínez Lugo
Sent: Saturday, November 17, 2018 12:44:08 PM
To: MIGUEL A. DEL VALLE MORALES; Félix A. Hernández Cabán; Jose M Cruz Perez; José A. Roque Torres; EDGARDO DIAZ REYES
Subject: NOTAS NEGOCIACION RFP 82695 Mobile Generation Units

Buenos días

Incluyo notas de los términos discutidos en la negociación del RFP 82695 Mobile Generation realizada el 16 de noviembre de 2018 a las 10:00am con ARG Precisión.

Representantes de PREPA:

1. José A. Cruz
2. José A. Roque Torres
3. Félix Hernández Cabán
4. Miguel Del Valle
5. Edgardo Díaz
6. Natalia Martínez Lugo

Representantes de ARG

1. Armando Rodríguez
2. Raúl Santiago

Asuntos Discutidos:

3. Artículo 2. Definitions – cambios sugeridos en las decisiones 2.23 y 2.28 fueron aceptados.
4. Artículo 4.1 General – incluir en dicha clausulas los 10 días
5. Artículo 7 Submittals – ARG acepta el cambio de 3 días para PREPA pueda revisar y evaluar y aprobar o desaprobado. Solicitan que PREPA en la notificación provea información identificando las razones de ser desaprobado.
6. Artículo 8 Specifications and Drawings – se aceptaron el lenguaje añadidos.
7. Artículo 9 Strict Accordance with Technical Requirements – ARG eliminó la cláusula, PREPA lo incluyo nuevamente. ARG acepta cláusula.
8. Artículo 10 Change and/or Extra Work – PREPA acepta que se elimine el lenguaje de *Acceleration in the performance of the work*.
9. Artículo 11 Inspection – ARG sugirió eliminar lenguaje "The determination of whether a Project is substantially completed is at the discretion of PREPA". No se aceptó dicho cambio y ARG aceptó que el mismo se incluyera.
10. Artículo 15 Force Majeure – PREPA acepta lenguaje añadido por ARG en dicha cláusula "or as soon as practicable".

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GOVERNMENT OF PUERTO RICO
Puerto Rico Electric Power Authority

Attendance Sheet
RFP 82695 Meeting

DATE: November 29, 2018, 3pm

Name	Company	Email / Telephone Number
Miguel Delville	PREPA / GENERATION	miguel.delville@prepa.com
Armando Delille	PREPA	armando.delille@prepa.com
Jorge J. Vega	PREPA	jorge.vega@prepa.com
Scott A. Rinaldi	AKKA	Scott.Rinaldi@akka.com
MATT LEE	FEP	MATTL@FilingEnergy.com
MARCUS Klintmalm	FEP	MARCUK@FilingEnergy.com ext 3321
Pelvis T. Zambrana Colon	PREPA Procurement	pelvis.zambrana@prepa.com



PO Box 364267 San Juan, Puerto Rico 00936-4267

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Gobierno de Puerto Rico
Autoridad de Energía Eléctrica

HOJA ASISTENCIA REUNIÓN

20 de noviembre de 2018 – 8am

RFP 82695 MOBILE GENERATION - Negociación

Nombre	Compañía	Correo Electrónico
Julio J. Nater	ARG Precision Corp.	jnaterarg@gmail.com
Mayte Texidor López	" "	mtexi@mtlegalpr.com
Limardo J. Rodríguez	" "	AJRodriguez@ARGPRECISION.COM
Gervasio León	" "	glectora@gmail.com
José M. Cruz Perón	PREPA - DIST	jose.cruz@prepa.com
Felix A. Hernández Ceballos	PREPA - LES-1	Felix.Hernandez@prepa.com
Daly Sánchez Serrano	PREPA - Finca	daly.sanchez@prepa.com
Miguel DelVila	PREPA - GEN.	miguel.delvillo@prepa.com
Edgardo Díaz Reyes	PREPA - Suministros	edgardo.diaz@prepa.com



"Somos un patrono con igualdad de oportunidades en el empleo y no discriminamos por razón de raza, color, sexo, edad, origen social o nacional, condición social, afiliación política, ideas políticas o religiosas; por ser víctima o ser percibida(o) como víctima de violencia doméstica, agresión sexual o acoso, sin importar estado civil, orientación sexual, identidad de género o estatus migratorio; por impedimento físico, mental o ambos, por condición de veterano(a) o por información genética."



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority

ATTENDANCE SHEET

NEGOTIATION

RFP 82695 MOBILE GENERATION UNITS

NOVEMBER 16, 2018 - 10:00AM

[illegible]



Government of Puerto Rico
Puerto Rico Electric Power Authority

CERTIFICATION REGARDING PROCUREMENT COMPLIANCE

Contractor Name:

Contract No.: Contract number assigned by the Comptroller's Office of Puerto Rico, once PREPA notified the execution of the contract to this governmental agency.

Effective Date: Execution Date

Brief Description of Scope of Work: The contractor shall provide three (3) new, zero-hour gas turbine units and perform its delivery, installation, testing, and commissioning. Each mobile unit shall have a generating capacity between 20 and 40 MW and shall include the necessary Balance of Plant (BOP) equipment and black start system.

If an Amendment, Scope of Amendment: N/A

Brief Description of Procurement (e.g., describe the method of procurement, identify the applicable policies and procedures followed, including the required procedures for amendment(s), if applicable):

Act. No 83 of May 2, 1941, Section 15(2)(f), Governing Board Resolution 4640.

Was this contract procured using Emergency Procedures?

☐ Yes

☒ No

When conducting procurements funded in whole or in part with Federal financial assistance, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. Part 200 (the "Uniform Rules") require Puerto Rico and its agencies and instrumentalities to follow the same policies and procedures for procurements that it uses for procurements from its non-Federal funds. 2 C.F.R. § 200.317. The Uniform Rules also require Puerto Rico and its agencies and instrumentalities to comply with § 200.322 procurement of recovered materials and to ensure that every purchase order or other contract includes any clauses required by section § 200.326, contract provisions.

The undersigned authorized representative of the Puerto Rico Electric Power Authority ("PREPA") hereby certifies as follows:

1. The undersigned authorized representative has sufficient knowledge as to the matters referenced herein to make the certifications referenced herein and to sign this Certification accordingly on behalf of PREPA.
2. The Contract identified above was procured in compliance with Act 83-1941, as amended, known as the Puerto Rico Electric Power Authority Act, as well as PREPA's internal policies and procedures in effect on the date hereof. All policies and procedures applicable to the Contract are listed above.
3. PREPA understands its responsibilities as it relates to the Procurement of Recovered Materials standard found in 2 C.F.R. § 200.322. The Contract includes a provision requiring the Contractor to comply with the requirements of 2 C.F.R. § 200.322, and the Contractor will document efforts to comply with these requirements, and will provide that information upon request.

4. The Contract identified above contains (i) all statutory provisions required under Puerto Rico law, rules, regulations, order and other legal requirements, and (ii) the Required Contract Provisions as required by 2 C.F.R. § 200.326.
5. The Contract identified above has been approved by all pertinent PREPA parties required to approve such Contract as set forth in the Rules Regarding Levels of Approval for Documents of PREPA (Normas Sobre Niveles de Aprobación de Documento de la Autoridad de Energía Eléctrica).

If it is indicated above that the Contract was procured under Emergency Procedures, the undersigned authorized representative hereby further certifies as follows:

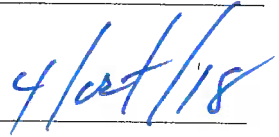
6. It was necessary to acquire the goods or services procured under this Contract immediately due to emergency or exigent circumstances that would not permit delay resulting from competitive solicitation.
7. The Declaration of Emergency made by the PREPA Board on September 18, 2017 remains in effect. The elements of immediacy and urgency required to declare and maintain a state of emergency persist in PREPA's operation, since approximately ___% of PREPA's clients remain without electric power, affecting not only those clients, but also the fragile economy of the Island as well as that of PREPA, and will continue to do so until a total restoration of the electrical system is completed.

By signing below, I hereby certify that all of the statements included herein are true and correct to the best of my knowledge, information, and belief based on information currently available.

Authorized Representative Signature: 

Print Name: Edgardo Díaz Reyes

Title: Jefe de la División de Suministros

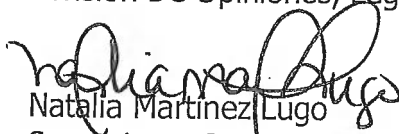
Date of Signature: 



GOBIERNO DE PUERTO RICO
Autoridad de Energía Eléctrica de Puerto Rico

14 noviembre de 2018

Joel Ayala Hernandez, Abogado Ingreso
División De Opiniones, Legislación Y Contratos


Natalia Martínez Lugo
Supervisora Compras

2018 NOV 14 PM 3:07
RECEIVED
DIVISION DE OPINIONES, LEGISLACION Y CONTRATOS

EXPEDIENTE RFP 82695 MOBILE GENERATION UNITS

Incluimos copia fiel y exacta del original del expediente y expediente digital del RFP 82695 Mobile Generation Units. El mismo consta de cuatro tomos que se distribuyen de la siguiente manera:

1. Expediente Administrativo
2. Propuesta de RG Engineering, Inc.
3. Propuesta Siemens
4. Propuesta de ARG. Precision, Corp.

Agradeceremos, una vez se finalice con el mismo, sea devuelto a nuestra atención.

Recibido por:

Fecha:



Apartado 364267 San Juan, Puerto Rico 00936-4267

2017



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority

ATTENDANCE SHEET

RFP 82695 MOBILE GENERATION UNITS

FILE REVISION

NOVEMBER 6, 2018 3:30PM

[illegible]



GOVERNMENT OF PUERTO RICO
Puerto Rico Electric Power Authority

ATTENDANCE SHEET
REVISIÓN EXPEDIENTE
RFP 82695 MOBILE GENERATION UNITS
OCTOBER 11, 2018 – 8:00AM

[illegible]

SAN JUAN, PUERTO RICO



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HOJA DE ASISTENCIA
REVISIÓN EXPEDIENTE RFP 82695
COMPRADOR: NATALIA MARTÍNEZ LUGO

NOMBRE COMPAÑÍA	NOMBRE DEL REPRESENTANTE Y TÍTULO	CORREO ELECTRÓNICO	TELÉFONO	FIRMA
1. RG ENGINEERING	Yanuelo Hernández Eng. Civil	Yanuelo.Hernandez@RGEM.com	REDACTED	
2. RG Engineering	Jose Nobles Gerente Ventas	jose.nobles@rgem.com		
3. GE Eng	Carlos Novati MANAGING DIRECTOR	carlos.novati@ge.com		
4. GE Power	Ramon Ortiz Account Manager	ramon.ortiz@ge.com		
5.				




GOBIERNO DE PUERTO RICO

Autoridad de Energía Eléctrica de Puerto Rico

24 de octubre de 2018

Edgardo Díaz Reyes, Jefe
División de Suministros


Natalia Martínez Lugo
Supervisora de Compras

AUTORIZACIÓN NEGOCIACIÓN - RFP 82695 ADQUISICIÓN GENERADORES PORTATILES

El 18 de octubre de 2018, se realizó el proceso de notificación a los proponentes que participaron del evento de Solicitud de Propuestas (RFP) 82695 para la adquisición generadores portátiles. Como parte del proceso, la Guía para Procesos de Adquisiciones de Bienes y Servicios a Través de Solicitud de Propuestas (Request for Proposals) establece que el Comité de Evaluación podrá elegir negociar con el proponente que obtuvo la clasificación más alta. El proceso de RFP le permite a la Autoridad negociar términos del contrato con el proponente seleccionado o los proponentes finalistas y faculta a los miembros del Comité a fungir como representantes autorizados de la Autoridad para realizar estas funciones.

Por lo antes expuesto, solicitamos al Jefe de División de Suministros autorice al Comité Evaluador asignado a este proceso de RFP a proceder con la negociación de ciertos términos y condiciones con el proponente seleccionado. Entre las condiciones de contrato que se negociarán están la obtención de los permisos ambientales y los términos de pago.

Además, en la Sección 3.5 se especifica que el Jefe de División de Suministros puede nombrar asesores o consultores para asistir al Comité en la evaluación de las propuestas, en el proceso de selección y de negociación de estas, siempre que estos satisfagan las guías de ética y conflicto de intereses y firmen un acta de confidencialidad. Por lo que recomendamos que durante la etapa de negociación se nombre como consultor de los asuntos relacionados a seguros y fianzas al señor Kelvin U. Díaz Marrero, de Administración de Riesgos.

De necesitar información adicional, se puede comunicar a la extensión 1394.





GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority

October 18, 2018

Please note: This is an unofficial and general translation of the official notification letter sent in Spanish. PREPA's Spanish (official) version of the short list notification letters prevails over this translation that is solely meant to provide non-Spanish speakers a general understanding of the notification letter.

Siemens Energy
4400 N Alafaya Trail
Orlando, FL 32826

Request for Proposals: RFP82695

Mobile Generation Units

To Whom It May Concern:

The Puerto Rico Electric Power Authority received your submittal for the referenced proposal request for proposals (RFP). The Evaluation Committee reviewed your proposal as set establish in section 3 of the RFP document and determined that its proposal complies with the basic requirements outlined on this RFP but did not obtain the best score in the evaluation criteria. Please refer to annex A for the synthesis of the Committee's determination. As provided by the laws, policies, current procedures and the Guide to Procurement Processes of Goods and Services through Request for Proposals, included as part of the documentation for this event, we notify that ARG Precision Corp. was selected for the award of the RFP 82695.

This notification is sent via PowerAdvocate as established in section 7.3 of PREPA's Guide for Procurement Processes of Goods and Services through Request for Proposal.

"In accordance with Section 3.19 of Act No. 38 of 2017, as amended, we inform you that the party adversely affected by this decision may, within twenty (20) days of the deposit in the federal mail notifying this determination, file a motion for reconsideration with the agency. In the alternative, you may submit a request for review to the Review Board of the General Services Administration or the appellate entity that corresponds in law or regulation, within the term of twenty (20) calendar days, from the deposit in the federal mail notifying this determination. The agency or the Review Board must consider it within thirty (30) days of its submission. The Board may extend said term only once, for an additional term of fifteen (15) calendar days. If a determination is made in your consideration, the term for requesting the judicial review resource will begin from the date the federal agency sent a copy of the notification of the decision of the agency, the appellate entity, or the Review Board resolving the motion. If the agency, the appellate entity or the Review Board fails to take any action regarding the motion for reconsideration or request for review within the corresponding term, as provided in this Act, it shall be understood that this has been rejected outright, and after that date, the term for judicial review will commence.



PO Box 364267 San Juan, Puerto Rico 00936-4267

The motion for reconsideration or request for review must be submitted to the Secretariat of Adjudicative Proceedings, NEOS Building, suite 615, bus stop 16 1/2, Santurce, Puerto Rico or sent to PO Box 363928, San Juan, Puerto Rico 00936-3928. The reasons for the motion for reconsideration or request for review must be clearly established in the motion for reconsideration or request for review and must contain a certification stating that the motion or request for review has been sent to the other bidders participating in the request for proposal and include three copies of the motion to reconsideration or request for review.


In addition to clearly stating the reasons for the motion for reconsideration or request for review, the motion or request must include the number of the request for proposal, the RFP opening date and a copy of the determination with its annex and any other documentary evidence of interest for consideration in your motion for reconsideration or request for review. You must include a copy of the motion for reconsideration or request for review, certifying that it was sent to the other bidders."

PREPA also informs that, in accordance with Section 4.2 of Act No. 38 of 2017, as amended, in the cases of a challenge or appeal of an auction, the party adversely affected by an order or final resolution of the agency, the Review Board of General Service Administration Auctions, or of the auction appellate entity, as the case may be, may submit a request for review before the Court of Appeals within a term of twenty (20) days, commencing from the filing of the copy of the notification of the order or final resolution of the agency, the aforementioned Auction Review Board of the General Services Administration or the appellate entity, or within the applicable term of twenty (20) calendar days after the expiration of the term provided by Section 3.19 of this Act. The mere submission of a request for review under this Section shall not have the effect of paralyzing the awarding of the challenged auction.

All documents must be filed with the Secretariat of Adjudicative Proceedings in original and three (3) copies.

The Puerto Rico Electric Power Authority shall be deemed notified of any request for reconsideration or request for review only by its filing with the Secretariat of Adjudicative Proceedings, or by federal mail to the following address: PO Box 363928, San Juan, Puerto Rico 00936-3928. The filings made outside the mentioned place or section will be understood as not submitted.

Sincerely,


Natalia Martinez Lugo
Purchasing Supervisor

Attachment A

Determination of the Evaluation Committee

The request for proposals 82695 (RFP) was published for the acquisition of three generating units.

Proponents Invited:

General Electric Give
Pratt & Whitney (PW)
Siemens Energy

Participating tenderers:

RG Engineering, Inc., Representative of General Electric
ARG Precision, Corp., representative Pratt & Whitney
Siemens Energy

Synthesis of the proposals

1. **RG Engineering, Inc.:** The proposal presented by this company complies with the criteria set forth in the RFP 82695. They provided an affidavit that establishes their contractual relationship with GE and authorizes them to participate in the event as the sole representative of that company. The evaluation of its financial capacity was made by the representative of Finance, who determined that this company has the capacity to fulfill the financing of this project according to the information provided by Camino Group, its company Matrix. The evaluation of the generation representatives indicated that this proposal complies with the technical scope required in this RFP.

The price offered by the proposer to supply and install the three units was \$60,200,100.

2. **ARG Precision, Inc.:** This company submitted a proposal that complies with the criteria included in the RFP 82695. Pratt & Whitney (PW) provided an affidavit certifying its contractual relationship with ARG Precision and authorizes it to participate in the event as their exclusive representative. The representative of Finance assessed their financial capacity on the basis of the financial statements of the Mitsubishi Heavy Industries Group, PW's parent company, provided by ARG. It shows that the company has the capacity to fulfill the financing of the project. The proposal complies with the technical requirements of the RFP, according to the evaluation of the representatives of Generation.

The price offered by the proposer to supply and install the three units was \$57,897,492.



3. **Siemens Energy:** This company's proposal complies with the criteria set forth in the RFP 82695. The financial capacity of Siemens was assessed based on the information provided and it was determined that they have the capital to fulfill the financing of the project, as recommended by the representative of Finance. The proposal also complies technically with what was required in the RFP documents, according to the evaluation by the representatives of Generation.

The price offered by the proposer to supply and installation of the three units was \$94,999,998.

Determination

After evaluating the proposals based on the criteria established in this request for proposals, according to section 3, Scoring criteria, the proposal presented by ARG Precision Corp. got the best score. In addition, this proposal complies with all specifications, terms and conditions set forth in RFP 82695. The evaluation Committee, in meeting on October 2, 2018, unanimously selected the company ARG precise, Corp., for the recommendation of awarding this RFP for the acquisition of three portable generating units.



GOBIERNO DE PUERTO RICO

Autoridad de Energía Eléctrica de Puerto Rico

ENVIADO A TRAVÉS DE LA MENSAJERÍA DE
LA PLATAFORMA DE POWERADVOCATE®

18 de octubre de 2018

Siemens Energy
4400 N Alafaya Trail
Orlando, FL 32826

Solicitud de Propuesta: RFP 82695
Mobile Generation Units

Estimados señoras y señores:

La Autoridad de Energía Eléctrica recibió su propuesta para la solicitud de propuesta de referencia (RFP por sus siglas en inglés). El Comité Evaluador evaluó su propuesta según establecido en la sección 3 del documento de RFP y determinó que su propuesta cumple con los requisitos básicos delineados para esta solicitud de propuestas, sin embargo, no obtuvo la mejor puntuación en los criterios de evaluación. Favor de referirse al Anejo A para la síntesis de la determinación del Comité. Aun así y según dispuesto por las leyes, políticas, procedimientos vigentes y la *Guía para Procesos de Adquisiciones de Bienes y Servicios a Través de Solicitud de Propuestas*, incluido como parte de la documentación para este evento, le notificamos que ARG Precision Corp. fue seleccionada para la adjudicación del RFP 82695.

A tenor con la Sección 3.19 de la Ley Núm. 38 del 2017, según enmendada, le informamos que la parte adversamente afectada por esta decisión podrá, dentro del término de veinte (20) días a partir del depósito en el correo federal notificando esta determinación, presentar una moción de reconsideración ante la agencia. En la alternativa, podrá presentar una solicitud de revisión ante la Junta Revisora de la Administración de Servicios Generales o la entidad apelativa que corresponda en ley o reglamento, dentro del término de veinte (20) días calendario, a partir del depósito en el correo federal notificando esta determinación. La agencia o la Junta Revisora deberá considerarla dentro de los treinta (30) días de haberse presentado. La Junta podrá extender dicho término una sola vez, por un término adicional de quince (15) días calendario. Si se tomare alguna determinación en su consideración, el término para instar el recurso de revisión judicial empezará a contarse desde la fecha en que se depositó en el correo federal copia de la notificación de la decisión de la agencia, la entidad apelativa o la Junta Revisora resolviendo la moción. Si la agencia, la entidad apelativa o la Junta Revisora dejare de tomar alguna acción con relación a la moción de reconsideración o solicitud de revisión, dentro del término correspondiente, según dispuesto en esta Ley, se entenderá que ésta ha sido rechazada de plano, y a partir de esa fecha comenzará a correr el término para la revisión judicial.

La moción de reconsideración o la solicitud de revisión deberá entregarse en la Secretaría de Procedimientos Adjudicativos, Edificio NEOS, 6to. Piso, Pda. 16 1/2, Santurce, Puerto Rico o enviarse al PO Box 363928, San Juan, Puerto Rico 00936-3928. Las razones de la moción de reconsideración o solicitud de revisión deberán estar claramente establecidas en su moción de

Apartado 364267 San Juan, Puerto Rico 00936-4267

"Somos un patrono con igualdad de oportunidades en el empleo y no discriminamos por razón de raza, color, sexo, edad, origen social o nacional, condición social afiliación política, ideas políticas o religiosas; por ser víctima o ser percibida(o) como víctima de violencia doméstica, agresión sexual o acecho, sin importar estado civil, orientación sexual, identidad de género o estatus migratorio; por impedimento físico, mental o ambos por condición de veterano(a) o por información genética."

AEE_1769

reconsideración o solicitud de revisión y deberá contener una certificación de envío a los demás licitadores comparecientes a la solicitud de propuesta además de tres copias, de la moción de reconsideración o solicitud de revisión.

Además de establecer claramente las razones de la moción de reconsideración o solicitud de revisión, se tiene que incluir, el número de la solicitud de propuesta, la fecha de apertura, copia de la determinación con su anejo y cualquier otra evidencia documental que interese se considere en la resolución de su moción de reconsideración o solicitud de revisión. Además, deberá incluir una copia de la moción de reconsideración o solicitud de revisión, que certifique que se envió a los demás licitadores.

También procedemos a informarle que, a tenor con la Sección 4.2 de la Ley Núm. 38 del 2017, según enmendada, en los casos de impugnación de subasta, la parte adversamente afectada por una orden o resolución final de la agencia, de la Junta Revisora de Subastas de la Administración de Servicios Generales, o de la entidad apelativa de subastas, según sea el caso, podrá presentar una solicitud de revisión ante el Tribunal de Apelaciones dentro de un término de veinte (20) días, contados a partir del archivo en autos de la copia de la notificación de la orden o resolución final de la agencia, la referida Junta Revisora de Subastas de la Administración de Servicios Generales o la entidad apelativa, o dentro del término aplicable de veinte (20) días calendario de haber transcurrido el plazo dispuesto por la Sección 3.19 de esta Ley. La mera presentación de una solicitud de revisión al amparo de esta Sección no tendrá el efecto de paralizar la adjudicación de la subasta impugnada.

Todo documento tiene que radicarse en la Secretaría de Procedimientos Adjudicativos de la Autoridad en original y tres (3) copias.

La Autoridad de Energía Eléctrica se entenderá notificada de toda solicitud de reconsideración o solicitud de revisión **únicamente** por la radicación de la misma ante la Secretaría de Procedimientos Adjudicativos, o mediante correo federal a la siguiente dirección: PO Box 363928, San Juan, Puerto Rico 00936-3928. Las radicaciones efectuadas fuera del lugar o apartado mencionado se entenderán por no sometidas.

Esta notificación se envía vía PowerAdvocate según establecido en la sección 7.3 de la *Guía para Procesos de Adquisiciones de Bienes y Servicios a través de Solicitud de Propuestas*.

Atentamente,



Natalia Martínez Lugo
Supervisora de Compras Principal
División de Suministros

Anejo



GOBIERNO DE PUERTO RICO
Autoridad de Energía Eléctrica de Puerto Rico

ENVIADO A TRAVÉS DE LA MENSAJERÍA DE
LA PLATAFORMA DE POWERADVOCATE®

18 de octubre de 2018

RG Engineering, Inc.
605 Condado Street
San Alberto Bldg. Ste. 322
San Juan, PR 00907

Solicitud de Propuesta: RFP 82695
Mobile Generation Units

Estimados señoras y señores:

La Autoridad de Energía Eléctrica recibió su propuesta para la solicitud de propuesta de referencia (RFP por sus siglas en inglés). El Comité Evaluador evaluó su propuesta según establecido en la sección 3 del documento de RFP y determinó que su propuesta cumple con los requisitos básicos delineados para esta solicitud de propuestas, sin embargo, no obtuvo la mejor puntuación en los criterios de evaluación. Favor de referirse al Anejo A para la síntesis de la determinación del Comité. Aun así y según dispuesto por las leyes, políticas, procedimientos vigentes y la *Guía para Procesos de Adquisiciones de Bienes y Servicios a Través de Solicitud de Propuestas*, incluido como parte de la documentación para este evento, le notificamos que ARG Precision Corp. fue seleccionada para la adjudicación del RFP 82695.

A tenor con la Sección 3.19 de la Ley Núm. 38 del 2017, según enmendada, le informamos que la parte adversamente afectada por esta decisión podrá, dentro del término de veinte (20) días a partir del depósito en el correo federal notificando esta determinación, presentar una moción de reconsideración ante la agencia. En la alternativa, podrá presentar una solicitud de revisión ante la Junta Revisora de la Administración de Servicios Generales o la entidad apelativa que corresponda en ley o reglamento, dentro del término de veinte (20) días calendario, a partir del depósito en el correo federal notificando esta determinación. La agencia o la Junta Revisora deberá considerarla dentro de los treinta (30) días de haberse presentado. La Junta podrá extender dicho término una sola vez, por un término adicional de quince (15) días calendario. Si se tomare alguna determinación en su consideración, el término para instar el recurso de revisión judicial empezará a contarse desde la fecha en que se depositó en el correo federal copia de la notificación de la decisión de la agencia, la entidad apelativa o la Junta Revisora resolviendo la moción. Si la agencia, la entidad apelativa o la Junta Revisora dejare de tomar alguna acción con relación a la moción de reconsideración o solicitud de revisión, dentro del término correspondiente, según dispuesto en esta Ley, se entenderá que ésta ha sido rechazada de plano, y a partir de esa fecha comenzará a correr el término para la revisión judicial.

La moción de reconsideración o la solicitud de revisión deberá entregarse en la Secretaría de Procedimientos Adjudicativos, Edificio NEOS, 6to. Piso, Pda. 16 1/2, Santurce, Puerto Rico o enviarse al PO Box 363928, San Juan, Puerto Rico 00936-3928. Las razones de la moción de

reconsideración o solicitud de revisión deberán estar claramente establecidas en su moción de reconsideración o solicitud de revisión y deberá contener una certificación de envío a los demás licitadores comparecientes a la solicitud de propuesta además de tres copias, de la moción de reconsideración o solicitud de revisión.

Además de establecer claramente las razones de la moción de reconsideración o solicitud de revisión, se tiene que incluir, el número de la solicitud de propuesta, la fecha de apertura, copia de la determinación con su anejo y cualquier otra evidencia documental que interese se considere en la resolución de su moción de reconsideración o solicitud de revisión. Además, deberá incluir una copia de la moción de reconsideración o solicitud de revisión, que certifique que se envió a los demás licitadores.

También procedemos a informarle que, a tenor con la Sección 4.2 de la Ley Núm. 38 del 2017, según enmendada, en los casos de impugnación de subasta, la parte adversamente afectada por una orden o resolución final de la agencia, de la Junta Revisora de Subastas de la Administración de Servicios Generales, o de la entidad apelativa de subastas, según sea el caso, podrá presentar una solicitud de revisión ante el Tribunal de Apelaciones dentro de un término de veinte (20) días, contados a partir del archivo en autos de la copia de la notificación de la orden o resolución final de la agencia, la referida Junta Revisora de Subastas de la Administración de Servicios Generales o la entidad apelativa, o dentro del término aplicable de veinte (20) días calendario de haber transcurrido el plazo dispuesto por la Sección 3.19 de esta Ley. La mera presentación de una solicitud de revisión al amparo de esta Sección no tendrá el efecto de paralizar la adjudicación de la subasta impugnada.

Todo documento tiene que radicarse en la Secretaría de Procedimientos Adjudicativos de la Autoridad en original y tres (3) copias.

La Autoridad de Energía Eléctrica se entenderá notificada de toda solicitud de reconsideración o solicitud de revisión **únicamente** por la radicación de la misma ante la Secretaría de Procedimientos Adjudicativos, o mediante correo federal a la siguiente dirección: PO Box 363928, San Juan, Puerto Rico 00936-3928. Las radicaciones efectuadas fuera del lugar o apartado mencionado se entenderán por no sometidas.

Esta notificación se envía vía PowerAdvocate según establecido en la sección 7.3 de la *Guía para Procesos de Adquisiciones de Bienes y Servicios a través de Solicitud de Propuestas*.

Atentamente,



Natalia Martínez Lugo
Supervisora de Compras Principal
División de Suministros

Anejo



GOBIERNO DE PUERTO RICO

Autoridad de Energía Eléctrica de Puerto Rico

ENVIADO A TRAVÉS DE LA MENSAJERÍA DE
LA PLATAFORMA DE POWERADVOCATE®

18 de octubre de 2018

ARG Precision, Corp.
PMB 911 PO Box 2500
Toa Baja, PR 00951

Solicitud de Propuesta: RFP 82695
Mobile Generation Units

Estimados señores y señoras:

La Autoridad de Energía Eléctrica le notifica, según establecido en la sección 7.3 del Exhibit 4 de la Guía para Procesos de Adquisiciones de Bienes y Servicios a través de Solicitud de Propuestas, que su compañía fue seleccionada como proponente evaluado que cumple sustancialmente con las especificaciones, términos y condiciones y expectativas de adjudicación del RFP 82695.

A tenor con la Sección 3.19 de la Ley Núm. 38 del 2017, según enmendada, le informamos que la parte adversamente afectada por esta decisión podrá, dentro del término de veinte (20) días a partir del depósito en el correo federal notificando esta determinación, presentar una moción de reconsideración ante la agencia. En la alternativa, podrá presentar una solicitud de revisión ante la Junta Revisora de la Administración de Servicios Generales o la entidad apelativa que corresponda en ley o reglamento, dentro del término de veinte (20) días calendario, a partir del depósito en el correo federal notificando esta determinación. La agencia o la Junta Revisora deberá considerarla dentro de los treinta (30) días de haberse presentado. La Junta podrá extender dicho término una sola vez, por un término adicional de quince (15) días calendario. Si se tomare alguna determinación en su consideración, el término para instar el recurso de revisión judicial empezará a contarse desde la fecha en que se depositó en el correo federal copia de la notificación de la decisión de la agencia, la entidad apelativa o la Junta Revisora resolviendo la moción. Si la agencia, la entidad apelativa o la Junta Revisora dejare de tomar alguna acción con relación a la moción de reconsideración o solicitud de revisión, dentro del término correspondiente, según dispuesto en esta Ley, se entenderá que ésta ha sido rechazada de plano, y a partir de esa fecha comenzará a correr el término para la revisión judicial.

La moción de reconsideración o la solicitud de revisión deberá entregarse en la Secretaría de Procedimientos Adjudicativos, Edificio NEOS, 6to. Piso, Pda. 16 1/2, Santurce, Puerto Rico o enviarse al PO Box 363928, San Juan, Puerto Rico 00936-3928. Las razones de la moción de reconsideración o solicitud de revisión deberán estar claramente establecidas en su moción de reconsideración o solicitud de revisión y deberá contener una certificación de envío a los demás licitadores comparecientes a la solicitud de propuesta además de tres copias, de la moción de reconsideración o solicitud de revisión.

Además de establecer claramente las razones de la moción de reconsideración o solicitud de revisión, se tiene que incluir, el número de la solicitud de propuesta, la fecha de apertura, copia de la determinación con su anejo y cualquier otra evidencia documental que interese se considere en la resolución de su moción de reconsideración o solicitud de revisión. Además, deberá incluir una copia de la moción de reconsideración o solicitud de revisión, que certifique que se envió a los demás licitadores.

También procedemos a informarle que, a tenor con la Sección 4.2 de la Ley Núm. 38 del 2017, según enmendada, en los casos de impugnación de subasta, la parte adversamente afectada por una orden o resolución final de la agencia, de la Junta Revisora de Subastas de la Administración de Servicios Generales, o de la entidad apelativa de subastas, según sea el caso, podrá presentar una solicitud de revisión ante el Tribunal de Apelaciones dentro de un término de veinte (20) días, contados a partir del archivo en autos de la copia de la notificación de la orden o resolución final de la agencia, la referida Junta Revisora de Subastas de la Administración de Servicios Generales o la entidad apelativa, o dentro del término aplicable de veinte (20) días calendario de haber transcurrido el plazo dispuesto por la Sección 3.19 de esta Ley. La mera presentación de una solicitud de revisión al amparo de esta Sección no tendrá el efecto de paralizar la adjudicación de la subasta impugnada.

Todo documento tiene que radicarse en la Secretaría de Procedimientos Adjudicativos de la Autoridad en original y tres (3) copias.

La Autoridad de Energía Eléctrica se entenderá notificada de toda solicitud de reconsideración o solicitud de revisión **únicamente** por la radicación de la misma ante la Secretaría de Procedimientos Adjudicativos, o mediante correo federal a la siguiente dirección: PO Box 363928, San Juan, Puerto Rico 00936-3928. Las radicaciones efectuadas fuera del lugar o apartado mencionado se entenderán por no sometidas.

Esta notificación se envía vía PowerAdvocate según establecido en la sección 7.3 de la *Guía para Procesos de Adquisiciones de Bienes y Servicios a través de Solicitud de Propuestas*.

Atentamente,



Natalia Martínez Lugo
Supervisora de Compras Principal
División de Suministros



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority

ANEJO A

Determinación del Comité Evaluador

La Solicitud de Propuestas 82695 (RFP, por sus siglas en inglés) se publicó para la adquisición de tres unidades generatrices.

Proponentes invitados:

General Electric (GE)
Pratt & Whitney (PW)
Siemens Energy

Proponentes participantes:

RG Engineering, Inc., representante de General Electric
ARG Precision, Corp., representante de Pratt & Whitney
Siemens Energy

Síntesis de las propuestas

1. **RG Engineering, Inc.:** La propuesta presentada por esta compañía cumple con los criterios establecidos en el RFP 82695. Proveyeron una declaración jurada que establece su relación contractual con GE y los autoriza a participar del evento como representante exclusivo de dicha empresa. La evaluación de su capacidad financiera la realizó el representante del Directorado de Finanzas, quien determinó que esta compañía tiene la capacidad para cumplir con el financiamiento de este proyecto de acuerdo con la información provista de Camino Group, su compañía matriz. La evaluación de los representantes de Generación indicó que esta propuesta cumple con el alcance técnico requerido en este RFP.

El precio ofrecido por el proponente para suplir e instalar las tres unidades fue de \$60,200,100.

2. **ARG Precision, Inc.:** Esta compañía presentó una propuesta que cumple con los criterios incluidos en el RFP 82695. Pratt & Whitney (PW) proveyó una declaración jurada en la que certifica su relación contractual con ARG Precision y le autoriza a participar del evento como representante exclusivo de sus equipos. El representante del Directorado de Finanzas evaluó su capacidad financiera a base de los estados financieros de Mitsubishi Heavy Industries Group, compañía matriz de PW, provistos por ARG. En ésta se demuestra que la compañía tiene la capacidad para cumplir con el financiamiento del proyecto. La propuesta cumple con los requisitos técnicos del RFP, según la evaluación de los representantes del Directorado de Generación.



El precio ofrecido por el proponente para suplir e instalar las tres unidades fue de \$57,897,492.

3. **Siemens Energy:** La propuesta de esta compañía cumple con los criterios establecidos en el RFP 82695. Se evaluó la capacidad financiera de Siemens a base de la información provista y se determinó que posee el capital para cumplir con el financiamiento del proyecto, según evaluado por el representante del Directorado de Finanzas. La propuesta también cumple técnicamente con lo requerido en los documentos del RFP, conforme a la evaluación realizada por los representantes del Directorado de Generación.

El precio ofrecido por el proponente para suplir el instalar las tres unidades fue de \$94,999,998.

DETERMINACIÓN

Luego de evaluar las propuestas a base de los criterios establecidos en esta solicitud de propuestas, según la sección 3, Scoring Criteria, la propuesta presentada por ARG Precision Corp. obtuvo la mejor puntuación. Además, esta propuesta cumple con todas las especificaciones, términos y condiciones establecidos en el RFP 82695. El Comité Evaluador, en reunión el 2 de octubre de 2018, seleccionó por unanimidad a la compañía ARG Precision, Corp., para la recomendación de adjudicación de este RFP para la adquisición de tres unidades generatrices portátiles.



GOVERNMENT OF PUERTO RICO

Puerto Rico Fiscal Agency and Financial Advisory Authority

By Electronic Mail

October 11, 2018

Astrid Rodriguez
Puerto Rico Electric Power Authority
San Juan, Puerto Rico

RE: Review of Evaluation and Selection of Mobile Generation Unit Vendor (RFP No. 82695)
Observations, Feedback Not Required

Dear Astrid Rodríguez:

In accordance with the procurement action review procedure for the Office for Contract and Procurement Compliance ("OCPC") (version 6, published August 28, 2018), established by Executive Order 2017-066 (issued Nov. 8, 2017), OCPC completed review of the Puerto Rico Electric Power Authority's ("PREPA") evaluation and selection of proposals for mobile generation units (RFP No. 82695) (the "Procurement Action"), which PREPA submitted for OCPC review on October 5, 2018. OCPC reviewed the Procurement Action for compliance with FEMA and local Puerto Rico contracting requirements.

Based upon its assessment, OCPC provides the attached reports with "Observations, Feedback Not Required" because OCPC has identified areas of risk, however the areas of risk are not considered high and do not require feedback from PREPA. It is PREPA's responsibility to take corrective action based on the observations provided and proceed with the procurement as it sees fit. Specifically,

- PREPA to document the basis for its estimation of all cost components, including, e.g., mobile turbine units and balance of plant.
- PREPA to document the reason for its scoring method, as described in Baker Donelson's risk assessment.
- PREPA to obtain resumes from all key employees of ARG to substantiate their credentials and ability to perform the work.

The enclosed reports provide additional information. Note that these findings reflect the limits of the information made available to OCPC for review and are conditioned on PREPA taking actions, as specified in the underlying assessment reports.

This letter and its attachments do not constitute legal advice nor guarantee that the Procurement Action complies with all applicable laws, rules, and regulations. OCPC reserves the right to modify its findings and this letter based on information not available at the time this review is conducted.

Ottmar Chavez
Director
Office for Contract and Procurement Compliance

Encl.

- A- Pietrantonio Mendez & Alvarez LLC-prepared Puerto Rico Procurement Procedure and Regulatory Compliance Review Abstract
- B- Horne LLP Procurement Checklist
- C- Baker, Donelson, Bearman, Caldwell & Berkowitz PC Procurement Compliance Risk Assessment

Natalia Martinez Lugo

From: OCPC <ocpc@aafaf.pr.gov>
Sent: Monday, October 15, 2018 11:35 AM
To: PROCUREMENT PREPA; MPMT
Cc: Viviana Ramirez; Christopher Sorensen
Subject: <<EXTERNAL EMAIL>> Review of Evaluation and Selection of Mobile Generation Unit Vendor (RFP No. 82695)
Attachments: ARG Cover Letter.pdf

Good morning, All,

Please find the attached cover letter from the review of the evaluation and selection of mobile generation unit vendor (RFP 82695). Please let us know if you have questions regarding.

Best regards,
Viviana Ramirez

To stop receiving messages from [MPMT](#) group, [stop following it](#).

RISK ASSESSMENT
PUERTO RICO ELECTRIC POWER AUTHORITY
OFFICE OF PROCUREMENT AND CONTRACT COMPLIANCE

Date of Submission: October 5, 2018

Date of Assessment: October 11, 2018

Subject of Review: Evaluation and Selection of Proposals in Response to RFP for
Mobile Generating Units (RFP No. 82695)

Vendor: ARG Precision Corp.

Effective Date: 60 days from NTP; two-year O&M Contract

Documents Reviewed:

- OCPC Review Form
- PREPA PowerAdvocate Supplier Quick Start Guide
- PREPA Suppliers Registry Information
- Mobile Generating RFP No. 82695
- Addendum Nos 1-7 to RFP
- Attachments 01, 19, 21, & 22 - PREPA Answers to Questions
- PREPA Fuel Specifications
- PREPA Manual For Design & Construction of Meshes Connected to Hardware for Substations
- Palo Seco Configuration Drawings
- Palo Seco Site Plan
- Palo Seco Site Pictures
- Fuel Pipeline Coating Specifications
- Proof of Notice
- Independent Price Estimate
- Questions from RGE and GE
- ARG Proposal
 - Cover Letter
 - Sworn Statement of PW Power Systems LLC (9/20/18)
 - Experience and Capacity
 - Approach and Methodology
 - Price and Performance Proposal
 - Commitment to Complying with Applicable Regulations
 - Local Parties and Business Arrangements

- Appendices, including resumes, Declaration of No Conflict of Interest, Declaration of No Convictions, Financial Statements, and OEM Generator Data
- RG Engineering, Inc. ("RGE") Bid Proposal¹
- Siemens Bid Proposal (**NOT RECEIVED OR REVIEWED**)
- PREPA Designation of Evaluation Committee
- Mobile Generating Unit Price Analysis
- Price Comparison (PDF)
- Additional Price Comparison (excel)
- AGR Sam.gov Verification
- GE Sam.gov Verification
- RGE Sam.gov Verification
- Siemens Sam.gov Verification
- PW Power Systems Sam.gov Verification
- Designation of Evaluation Committee
- PREPA Board Resolution
- Evaluation Report
- PREPA Certification Regarding Procurement Compliance
- Draft Mobile Generating Unit Contract
- Draft Operations and Maintenance Contract
- PREPA Conflict of Interest Certification (June 28, 2018)
- PREPA Acquisition Justification (August 10, 2018)

Summary of Assessment:

We have reviewed PREPA's evaluation and selection of the proposal submitted by ARG Precision Corp. ("ARG") in response to PREPA's RFP for provision of Generating Service Units. ARG submitted the most cost effective proposal and was ultimately selected based on price and other factors identified in the RFP. We have identified minor issues below, but assess a low risk associated with PREPA moving forward with its selection of ARG for the scope of work provided.

PREPA developed its RFP seeking to solicit proposals for the provision of new Mobile Generating Units – necessary units to supply power to isolated areas in case of an outage due to a natural disaster or restoration works on the powerlines or existing generating units. The RFP includes

¹ RGE's Bid Proposal includes: (1) Project Overview; (2) Basic Scope Description; (3) Electrical Balance of Plant; (4) Mechanical Balance of Plant; (5) General Engineering, Construction, & Commissioning Requirements; (6) Drawings; (7) Miscellaneous Attachments; (8) Guarantees; (9) Spare Parts List; and (10) Division of Responsibility.

the provision of the generators within sixty days of the Notice to Proceed with a two-year operations and maintenance ("O&M") contract with two options for an additional year. Both the generators and O&M services are to be contracted on a fixed fee basis.

A. Competition

At the outset, we note that PREPA is required to conduct all procurements consistent with its own applicable procurement rules and processes and those of the Government of Puerto Rico. 2 C.F.R. § 200.317. As a "State" under the regulations, Puerto Rico is not subject to all of the requirements of 2 C.F.R. Part 200. For States, the only provisions applicable are 2 C.F.R. §§ 200.317 (requiring PREPA to follow its own policies and procedures), 200.322 (requiring an affirmative procurement program for the acquisition of recovered materials), and 200.326 (requiring contracts to include the FEMA-required contract provisions).

Section 200.317 requires that a state must follow the same policies and procedures it uses for procurements from its non-Federal funds. Here, PREPA utilized a competitive method to procure the generators and O&M services. The justification memo indicates only three vendors were solicited as they were the only manufacturers identified by PREPA—ARG, RGE, and Siemens (we did not receive a copy of Siemens' proposal). For a procurement of this magnitude -- \$57 million -- three proposals is not particularly robust. PREPA does not provide any information regarding its research into potential vendors. We defer to PMA as to whether the limited publication of the RFP was compliant with Puerto Rico law and PREPA's own policies and procedures and thus the requirements of § 200.317.

Nonetheless, it appears that PREPA performed both an independent cost estimate, estimating the work at approximately \$58 million, and a cost analysis in order support the reasonableness of ARG's pricing. This may mitigate risks of FEMA de-obligating any amount deemed unreasonable; however we **recommend** that PREPA document the basis for its estimations for the all cost components, including any market research or historical prices paid. For example, it is not clear on what the estimates for mobile turbine units and balance of plant were based.

B. Proposal Evaluation

The regulations applicable to non-state entities require RFPs to identify all evaluation factors and their relative importance. 2 C.F.R. § 200.319(d). While not technically applicable to PREPA as a "State" we recommend PREPA meet this standard to avoid any appearance of arbitrariness in the selection process. FEMA expects the applicant to consider all evaluation factors specified in its solicitation documents and evaluate offers only on the evaluation factors included in the solicitation documents.

The RFP states that bidders would be evaluated based on the submitted price proposal (60 points), experience and capacity (15 points), approach and methodology (15 points), and compliance with applicable Federal and Puerto Rico regulations (10 points). It also states that criteria will be scored on a scale of 1 to 5. Bidders were evaluated based on this criteria. appears to have scored proposals with a raw score, then converted this number to a 1 through 5 scale, and then converted it back to a point value. For instance, PREPA awarded Siemens a total of 37.68 points for Siemens' price proposal.² PREPA then converted this number to a 4 based on a 1-5 scale. The 4 value received was then converted back into points, with Siemens receiving 48 points of the available 60. Note that this conversion method resulted in RGE and Siemens receiving the same adjusted score (48) despite RGE obtaining a raw score almost 10 points higher than Siemens.

The remaining sections were calculated using an average of scores received on a 1-5 scale and were then multiplied by a value to obtain the vendors total points per criterion. Despite the somewhat confusing methodology used in calculating the total vendor scores, the scoring methodology would not have changed the outcome of the procurement process. ARG was the most cost-effective bid (60% of the evaluation criterion) and RGE and Siemens could not make up the difference in the other criteria.

Finally, although not specifically required by FPMR regulations, we have occasionally seen issues arise when scores are given, but accompanying comments are omitted. This may raise questions as to how aspects outside of price were evaluated and how the group reached its conclusions. For instance it is unclear what specifically differentiated Siemens, who received 6 points for its proposal related to compliance with applicable laws, from RGE, who received 10 points.

Accordingly, we **recommend** PREPA document in a memo to the Procurement File its reasoning for its evaluation methods and make clear that its selection of ARG as the winning contractor provides the best overall value to PREPA.

C. Contractor Responsibility / Qualifications

Note that although many individuals are listed as key personnel for ARG, resumes were only provided for Julio Sanchez and Armando Rodriguez Gutierrez. We **recommend** PREPA obtain resumes from the rest of the key employees in order to corroborate their credentials and ensure the staff has the experience and ability to perform the work.

² Price proposal points were based on the following calculation:

1 - [(best price - vendor price)/best price] * total points available. This equation ensures the best price will receive all points available.

We also note that the Evaluation Report concludes that ARG has the lowest capital and installation costs as well as the smallest (generator) units, while Siemens units have the highest net capacity and lowest heat rate. This in and of itself is not an issue so long as the units proposed by ARG meet PREPA's standards and are sufficient to complete the scope of work.

D. RFP/Contract Compliance

2 C.F.R. § 200.326 requires that a non-Federal entity's contracts, and in some cases its solicitation, must contain applicable provisions described in Appendix II to Part 200. Baker Donelson's August 6, 2018 Risk Assessment provides a detailed discussion of the draft contract's compliance with this requirement. This section is meant to update Baker Donelson's August 6 Risk Assessment based on changes PREPA has made to the draft contract.

- Article 4.1 has been amended to reflect that Article 19 contains the Termination clause.
- PREPA has removed the duplicative "Changes" provision previously found in Article 53(E).
- Article 11.2 no longer references a definition of "substantial completion," and the contract now specifies that PREPA decides whether the project is substantially complete.
- Article 19 now provides for a method of settle compliant with FEMA requirements.
- The contract's Equal Employment Opportunity provision has been updated to include numbered paragraphs.

Conclusion

Although some issues are present in the solicitation and draft contract and questions may arise on the basis for how final scores were calculated, we assess a **low risk** of moving forward with ARG as the selected vendor. This determination is subject to PMA's determination that PREPA's evaluation and selection complies with PREPA policies and procedures and Puerto Rico law. PREPA may mitigate risks of de-obligation by justifying the limited amount of competition generated by the solicitation, ensuring its independent cost estimate and cost analysis has a firm basis in market research and establishes that ARG's costs are necessary and reasonable.

Contract/Procurement Information

Vendor	Contract Amount	Contract ¹ #	Rev	Contract Type	Contract Start Date	Contract End Date
ARG Precision Corp.	\$57,897,492.00	202	1	Lump Sum		

Note: It appears funds have been expended to this vendor for these services under this purchase order.

Summary of Non-Compliances

The following is a summary of the non-compliances found in the "Procurement Checklist" below.

Criteria	Summary
Local (Puerto Rico)	Pending Legal Guidance
Federal (Uniform Grant Guidance)	No observations

1. Document Checklist

Purpose: This checklist was created to document and provide a record to ensure all procurement documents have been provided.

Procedure: Indicate below, accordingly, if each required document has been provided for the contract under review. If an item is determined to not be provided or does not exist it will be noted below.

Conclusion: Based on our review of the documents provided, we determined them to be No observations.

Documents received for Revision #01: Addendum 1; Addendum 2; Addendum 3; Addendum 4; Addendum 5; Addendum 6; Addendum 7; Additional Price Comparison; AGR Precision sam.gov Verification; ARG Precision Answers to PREPA Questions; ARG Proposal; Caribe / GE Financial Statements; Caribe / GE Proposal; Caribe Energy sam.gov verification; Caribe Proposal Letter of Authorization; Evaluation and Selection Report; Financial Statements RGE; Fuel Requirements; Gas Turbine Performance and Emissions Guarantee; Gas Turbine Power Curve; GE / RGE Questions / Answers; Independent Cost Estimate; Liquid Fuel Requirements; MDF Cable Bus cat 13.1; Mobile Generation Draft Contract; Mobile Generation Finance Letter; OCPC Review Form; Operations and Maintenance Draft Contract; Palo Seco Picture; Palo Seco Pictures; PALO Seco Pictures; Power Advocate Proof of Notice; Pratt & Whitney Price Proposal; PREPA 115KV Configuration Diagram for Palo Seco; PREPA Answer to Questions; PREPA Answers to ARG Questions; PREPA Answers to Questions; PREPA Answers to Questions; PREPA Coating Specifications; PREPA Designation of Evaluation Committee; PREPA Fuel Specifications Exhibit A, B, and C; PREPA Manual For Design & Construction of Meshes Connected to Hardware for Substations; PREPA Palo Seco Site Plan; PREPA Procurement Compliance Certification; PREPA Procurement Justification; PREPA Request for Clarification for ARG; PREPA Request for Clarification Siemens; PREPA Transformer Palte Palo Seco; PREPA Transformer Plate Palo Seco; PREPA Transformer Plate Picture Palo Seco; PREPA Voltage Table Palo Seco; PREPA Yabucoa Site Plan; Price

¹ If a contract has not been provided or a contract does not exist, we will note the purchase order number or docket number here in place of the contract number.

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Analysis; Price Comparison; Proponents Responses to PREPA Request for Clarification; PW Power Systems Signed Letter of Representation; Resolution 4640; RFP 82695; RFP Procedure Guide; RGE Authorized Representation Letter; RGE Letter of Recommendation; RGE Proposal; RGE sam.gov Verification; Siemens Compliance Culture Page; Siemens Execution Schedule; Siemens Principle Terms of Proposal; Siemens Proposal; Siemens Proposal answers to PREPA Questions; Siemens Proposal Answers to Questions; Siemens Proposal Design Requirements; Siemens Proposal Introduction; Siemens Proposal Resumes; Siemens Proposal Scope of Supply; Siemens Proposal Scope of Supply Exclusions; Siemens Proposal Terms and Conditions; Siemens Proposal Definition of Clean Air; Siemens sam.gov verification; Siemens Technical Proposal; Siemens Technical Proposal Cover Page; Siemens Price Proposal; Yabucoa Main Power Plate Configuration; Yabucoa Pictures; Yabucoa Plan Specifications;

#	Document Checklist	Documentation Received Received Not Received N/A	Documentation Compliance Compliant Non-Compliant N/A
1.000000	Bid Tabulation/Quote Summary	Received	Compliant
2.000000	Bid Proposals/Quote	Received	Compliant
3.000000	Notice to Proceed	N/A	N/A
4.000000	Contract	Received	Compliant
5.000000	Purchase Orders	N/A	N/A
6.000000	Change Orders	N/A	N/A
7.000000	Contract Extensions	N/A	N/A
8.000000	Debarment Check (SAM)	Received	Compliant
9.000000	Proof of Public Notice	Received	Compliant
10.000000	Notice to Bidders	Received	Compliant
11.000000	Notice of Acceptance	N/A	N/A
12.000000	Notice of Award	N/A	N/A
13.000000	Contract Approval	N/A	N/A
14.000000	Board Minutes	Received	Compliant
15.000000	Change Order Approval	N/A	N/A
16.000000	Price/Cost Analysis	Received	Compliant

2. Procurement Checklist (2 CFR Part 200)

Purpose: This checklist was created to document and provide a record to ensure all procurement requirements have been reviewed and verified as compliant, non-compliant, or not applicable.

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Procedure: Indicate below, accordingly, if each requirement is compliant, non-compliant, or not applicable with the procurement requirement indicated within the checklist. If an item is determined to be non-compliant this will be documented accordingly.

Conclusion: Based on our review of the procurement, we determined this procurement is No observations.

Uniform Grant Guidance (2 CFR §200.317 – 326; 200.333; & Appendix II)				
#	Procurement Requirement		Reference	Compliant Non-Compliant N/A
General Requirements				
0.000000	General - Supporting Documentation	Were all applicable procurement supporting documentation provided?	N/A	Compliant
1.000000	General - Compliance with Procurement Laws, Rules and Procedures	Does the procurement comply with the State's own procurement laws, rules and procedures? (See "Legal Review" Checklist)	§200.317	Refer to Legal Guidance
2.000000	General - PREPA Compliance with Procurement	Ensure the procurement complies with PREPA's own procurement laws, rules, and procedures.	§200.318	Refer to Legal Guidance
3.000000	General - Maximum Use of Recovered/Recycled Materials	Does the procurement comply with the requirement to make a maximum use of recovered/recycled materials?	§200.317; §200.322	Compliant
4.000000	General - Maintaining Contract Oversight	Does PREPA maintain oversight (or have a system in place) of the contract to ensure that contractors perform in accordance with the terms, conditions, and specifications of the vendors contracts or purchase orders?	§200.318	Compliant
5.000000	General - Conflict of Interest (PREPA Sign-off)	Does any PREPA employee, officer, or agent participating in the selection, award, or administration of this contract have an actual or apparent conflict of interest?	§200.318	Compliant
6.000000	General - Bribes from Contractors/Subcontractors	Have any, or does it appear that any PREPA employee, officer, or agent has solicited and/or accepted gratuities, favors, or anything of monetary value from contractors or parties to subcontractors for this contract?	§200.318	Compliant
7.000000	General - Consideration of Economical Purchase	When procuring this contract did PREPA consider consolidating or breaking out procurements to obtain a more economical purchase? Where appropriate, has PREPA considered lease versus purchase alternatives?	§200.318	N/A
8.000000	General - Lease Versus Purchase Alternatives	When procuring this contract did PREPA consider, where appropriate, has PREPA considered lease versus purchase alternatives?	§200.318	Compliant
9.000000	General - Assessing Responsibility of Vendor (PREPA Sign-off)	Does it appear that the vendor is a responsible contractor possessing the ability to perform successfully under the terms and conditions of the proposed procurement, giving consideration to such matters as contractor integrity, compliance with	§200.318	Compliant

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		public policy, record of past performance, and financial and technical resources?		
10.000000	General - Maintaining Sufficient Documentation	Is adequate and sufficient documentation for this contract being maintained to detail the history of the procurement, selection of the contract type, contractor selection or rejection, and the basis for the contract price?	\$200.318	Compliant
11.000000	General - Time & Materials Cost Ceiling	Is the contract time and materials contract? If so, does the contract include a ceiling price that the contractor exceeds at its own risk?	\$200.318	N/A
12.000000	General - Time & Materials Documentation Acknowledgment	If the contract is a time and materials contract, does PREPA have documentation to why no other contract is suitable?	\$200.318	N/A
13.000000	General - Settlement of all Contractual and Administrative Issues	Does it appear that PREPA alone is responsible, in accordance with good administrative practices and sound business judgment, for the settlement of all contractual and administrative issues arising from this procurement?	\$200.318	Compliant
Ensuring Competitive Procurement				
14.000000	Ensuring Competitive Procurement - Unreasonable Requirements on Firms	Does the procurement place unreasonable requirements on firms in order to qualify to do business? If so, this would be considered restrictive of full and open competition.	\$200.319	Compliant
15.000000	Ensuring Competitive Procurement - Unnecessary Experience and Excessive Bonding	Does the procurement require unnecessary experience and excessive bonding? If so, this would be considered restrictive of full and open competition.	\$200.319	Compliant
16.000000	Ensuring Competitive Procurement - Contract Pricing Practices between Firms/Affiliated Companies	Is this a non-competitive contract that includes pricing practices between firms or between affiliated companies? If so, this would be considered restrictive of full and open competition.	\$200.319	N/A
17.000000	Ensuring Competitive Procurement - Non-competitive Contract to Consultants Retainer Contracts	Is this a non-competitive contract to consultants that are on retainer contracts? If so, this would be considered restrictive of full and open competition.	\$200.319	N/A
18.000000	Ensuring Competitive Procurement - Organizational Conflicts of Interest	Is there any organizational conflicts of interest? If so, this would be considered restrictive of full and open competition.	\$200.319	Compliant
19.000000	Ensuring Competitive Procurement - Brand Name Product	Does the contract specify only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement? If so, this would be considered restrictive of full and open competition.	\$200.319	Compliant

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20.000000	Ensuring Competitive Procurement - Arbitrary Action	Ensure no arbitrary action took place in the procurement process. If so, this would be considered restrictive of full and open competition.	\$200.319	Compliant
21.000000	Ensuring Competitive Procurement - Non-involvement	Ensure the vendor that was bidding on the contract was also not involved with developing or drafting the specifications, requirements, statement of work, invitation for bids or request for proposal.	\$200.319	Compliant
22.000000	Ensuring Competitive Procurement - Preferences Precludes Geographic/Local	Ensure the contract does not include a state or local geographic preference for local contractors.	\$200.319	Compliant
23.000000	Ensuring Competitive Procurement - Required	PREPA is required to have written procurement procedures to ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be performed, as well as, identifies all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals. If so, does the contract contain these same elements as stated above?	\$200.319	Compliant
24.000000	Ensuring Competitive Procurement - Prequalified List	If PREPA is utilizing a prequalified list of persons, firms, or products in the execution of the contract, is the list current?	\$200.319	N/A
25.000000	Ensuring Competitive Procurement - Prequalified List	If PREPA is utilizing a prequalified list of persons, firms, or products in the execution of the contract, does the list include enough qualified sources to ensure maximum open and free competition?	\$200.319	N/A
26.000000	Ensuring Competitive Procurement - Prequalified List	Ensure if PREPA is utilizing a prequalified list of persons, firms, or products in the execution of the contract, that any potential bidders were not precluded from qualifying during the solicitation period.	\$200.319	N/A
Method of Procurement				
27.000000	Method of Procurement	Ensure the contract meets one of acceptable methods of procurement (i.e. micro-purchase, small purchase, sealed bids, competitive proposals, non-competitive proposals)?	\$200.320	Compliant
28.000000	Method of Procurement - Small Purchase Procedures	Small Purchase Procedures (\$3,500 - \$149,999) Ensure an adequate number (3 or more) of price/quotations were obtained from qualified sources for securing services, supplies, or other property.	\$200.320	N/A
29.000000	Method of Procurement - Sealed Bids	Sealed Bids Procedures (>\$150,000): Ensure bids were publicly solicited.	\$200.320	N/A
30.000000	Method of Procurement - Sealed Bids	Sealed Bids Procedures (>\$50,000): Ensure a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder who bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in	\$200.320	N/A

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		price. (Sealed bidding is the preferred method for procuring construction.)		
31.000000	Method of Procurement - Sealed Bids	Sealed Bids Procedures (>\$150,000): Ensure a complete, adequate and realistic specification or purchase description is available.	\$200.320	N/A
32.000000	Method of Procurement - Sealed Bids	Sealed Bids Procedures (>\$150,000): Ensure two or more responsible bidders are willing and able to compete effectively for the business.	\$200.320	N/A
33.000000	Method of Procurement - Sealed Bids	Sealed Bids Procedures (>\$150,000): Ensure the procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.	\$200.320	N/A
34.000000	Method of Procurement - Sealed Bids	Sealed Bids Procedures (>\$150,000): Ensure an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening bid tabs.	\$200.320	N/A
35.000000	Method of Procurement - Sealed Bids	Sealed Bids Procedures (>\$150,000): Ensure the invitation for bids included any specifications and pertinent attachments, and defined items or services in order to ensure the bidders proper response.	\$200.320	N/A
36.000000	Method of Procurement - Sealed Bids	Sealed Bids Procedures (>\$150,000): Ensure that all bids were opened at the time and place prescribed in the invitation for bids.	\$200.320	N/A
37.000000	Method of Procurement - Sealed Bids	Sealed Bids Procedures (>\$150,000): Ensure the award was for a firm fixed price contract to the lowest responsive and responsible bidder.	\$200.320	N/A
38.000000	Method of Procurement - Sealed Bids	Sealed Bids Procedures (>\$150,000): Ensure if any bids were rejected, there was a sound documented reason supporting the rejection.	\$200.320	N/A
39.000000	Method of Procurement - Sealed Bids	Competitive Proposals Procedures (>\$150,000): Ensure the Request for Proposals (RFP) was publicly advertised and ensure all evaluation factors and their relative importance	\$200.320	Compliant
40.000000	Method of Procurement - Sealed Bids	Competitive Proposals Procedures (>\$150,000): Ensure there were an adequate number of qualified sources.	\$200.320	Compliant
41.000000	Method of Procurement - Sealed Bids	Competitive Proposals Procedures (>\$150,000): Ensure the written method for conducting technical evaluations and vendor selection was in line with method performed.	\$200.320	Compliant
42.000000	Method of Procurement - Competitive Proposals	Competitive Proposals Procedures (>\$150,000): Ensure the firm that was selected was the most advantageous to the program, with price and other factors considered.	\$200.320	Compliant
43.000000	Method of Procurement - Competitive Proposals	Competitive Proposals Procedures (>\$150,000): If this procurement was for architectural/engineering (A/E) professional services, ensure that if a	\$200.320	N/A

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		competitive proposal was utilized the proposal procedures for qualifications-based procurement of A/E professional services whereby competitors' qualifications are evaluated, and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. (This method can only be used with A/E firms).		
44.000000	Method of Procurement - Non-competitive Proposal	Non-competitive Proposals Procedures: Do one of the following circumstances apply? 1) The item is available from one source 2) public exigency or emergency for the recipient will not permit a delay resulting from competitive solicitation 3) The FEMA or PREMA expressly authorizes noncompetitive proposals in response to a written request from PREPA or 4) after solicitation of a number of sources, competition is determined inadequate.	\$200.320	N/A
Considerations				
45.000000	Considerations - Affirmative Steps	Ensure affirmative steps are taken to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible this includes: 1) Placing qualified small and minority business and women's business enterprise on solicitation list 2) Assuring that small and minority business, and women's business enterprises are solicited whenever they are potential sources. 3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises 4) Establishing delivery schedule (when required) 5) Using services and assistance, as appropriate, of SBA and the MBDA and 6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed previously.	\$200.321	N/A
Contract Cost and Price				
46.000000	Contract Cost & Price	Ensure if the contract amount exceeds \$150,000 that a cost or price analysis is performed.	\$200.323	Compliant
47.000000	Contract Cost & Price	Ensure profit was negotiated as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. In addition, ensure the contract is not a "cost plus a percentage of cost" or "percentage of construction cost" contract.	\$200.323	Compliant
Bonding Requirements				
48.000000	Bonding Requirements - Construction Only	Bonding requirements: For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold (\$150,000), the FEMA or PREMA may accept the bonding policy and requirements of PREPA provided that FEMA or PREMA has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:	\$200.325	Compliant

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		<p>1) A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.</p> <p>2) A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.</p> <p>3) A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.</p>		
Required Contract Provisions				
49.000000	Appendix II, Required Contract Provisions	Appendix II, Required Contract Provisions: Does the contract amount exceed \$150,000, if so, does it address 1) administrative, 2) contractual, or 3) Procurement remedies in instances where contractors violate or breach contract terms, and provide for sanctions and penalties? If applicable, are the clauses sufficient?	§200.317; §200.326; Appendix II;	Compliant
50.000000	Appendix II, Required Contract Provisions	Appendix II, Required Contract Provisions: Does the contract exceed \$150,000, if so, does the contract include clauses addressing the Clean Air Act and the Federal Water Pollution Control Act? If applicable, are the clauses sufficient?	§200.317; §200.326; Appendix II;	Compliant
51.000000	Appendix II, Required Contract Provisions	Appendix II, Required Contract Provisions: Does the contract amount exceed \$100,000, and involve the employment mechanics or laborers, if so, does the contract include a Contract Work Hours and Safety Standards clause? If applicable, are the clauses sufficient?	§200.317; §200.326; Appendix II;	Compliant
52.000000	Appendix II, Required Contract Provisions	Appendix II, Required Contract Provisions: Does the contract exceed \$100,000, if so, have bidders submitted an Anti-Lobbying Certification? If applicable, is the clause sufficient?	§200.317; §200.326; Appendix II;	N/A
53.000000	Appendix II, Required Contract Provisions	Appendix II, Required Contract Provisions: Does the contract exceed \$10,000, if so, does it address the termination for cause and for convenience, including the manner by which it will be effected and the basis for settlement? If applicable, are the clauses sufficient?	§200.317; §200.326; Appendix II;	Compliant
54.000000	Appendix II, Contract Required Contract Provisions	Appendix II, Contract Required Contract Provisions: Is the contract for construction services, if so, does it include required Equal Employment Opportunity clause? If applicable, are the clauses sufficient?	§200.317; §200.326; Appendix II;	Compliant

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55.000000	Appendix II, Required Contract Provisions	Appendix II, Required Contract Provisions: Does the contract contain a Suspension and Debarment clause? If so, are clauses sufficient?	§200.317; §200.326; Appendix II;	Compliant
56.000000	Appendix II, Required Contract Provisions	Appendix II, Required Contract Provisions: Does the contract include an Anti-Lobbying clause? If so, is the clause sufficient?	§200.317; §200.326; Appendix II;	Compliant
57.000000	Appendix II, Required Contract Provisions	Appendix II, Required Contract Provisions: Does the contract, if materials are utilized, include a clause requiring the contractor to maximize use of recovered/recycled materials?	§200.317; §200.322; Appendix II;	Compliant
Record Retention				
58.000000	Record Retention	Does it appear PREPA is adequately retaining records for this procurement, in order to be in compliance with Federal retention requirements of a minimum of 3 years? (This encompasses from the date of submission of the final expenditure report or for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a Subrecipient.)	§200.383	Compliant

Please review line items, if the line item(s) is not applicable or non-compliant, please provide written feedback to explain why.

Reviewed by: Mike White, CFE and Eunice Garcia

**PUERTO RICO ELECTRIC POWER AUTHORITY
OFFICE OF PROCUREMENT AND CONTRACT COMPLIANCE**

REVIEW ABSTRACT

Title: RFP 82695 – Mobile Generation Units

Party(ies) contracting with PREPA: ARG Precision, Corp.

Date of contract: TBD

Date contract received: Vendor Selection Review for RFP 82695 received on October 4, 2018 (further information provided by PREPA on October 11, 2018)

Date review completed: October 11, 2018

Documents received and reviewed:

- RFP 82695
- Draft Contract for Mobile Generation Units
- Draft Operations and Maintenance Agreement
- PREPA Power Advocate Supplier Quick Start Guide
- PREPA's Supplier Registry Information
- Guide for Procedure for Acquisition of Goods or Services through Requests for Proposals (*Guía para Procesos de Adquisiciones de Bienes o Servicios a Través de Solicitud de Propuestas*) (the "Guide")
- Addendums No. 1, 2, 3, 4, 5, 6, and 7
- Attachments No.1 through No. 22
- Proof of Notice
- Mobile Generators Estimates
- Responses to Solicitations by ARG Precision Corp., Caribe GE Energy Services Corp., PW Power Systems, LLC, RG Engineering, Inc., and Siemens Energy, Inc.
- Evaluation Report
- Price Proposal Comparison Model
- Designation of Evaluation Committee RFP Mobile Generation (*Designación Comité Evaluador para RFP Adquisición Generación Portátil*)
- Debarment Verification Documents
- Mobile Generation Price Analysis
- Price Comparison
- Price Proposal
- Resolution No. 4640
- Certification of Procurement Compliance executed by Edgardo Díaz on October 4, 2018.
- Justification Memorandum by José F. Ortiz dated August 10, 2018.
- Requests for Clarifications to ARG Precision, Corp. dated September 27, 2018

- Requests for Clarifications to Siemens Energy, Inc. dated September 27, 2018.
- Requests for Clarifications to RG Engineering, Inc. dated September 27, 2018
- Responses to Clarifications by ARG Precision, Corp.
- Responses to Clarifications by Siemens Energy, Inc.
- Responses to Clarifications by RG Engineering Inc.
- OCPC Review Form
- Correspondence with representative from PREPA dated October 11, 2018

Complies with PREPA Procurement Regulations and Procedures:
Details in Exhibit A.

Yes ☒ No ☐

Draft of agreement complies with Puerto Rico contracting provisions:
Details in Exhibit B.

Yes ☒ No ☐

Additional Comments:

Review of subsequent stages of this procurement will be required.

PREPA PROCUREMENT PROVISIONS

#	Complies	Requirement	Comments
1.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Authority of PREPA to execute proposed procedure.	<p>Pursuant to Section 15(1)(a) of Act 83-1941, as amended, known as the Puerto Rico Electric Power Authority Act (the "PREPA Act"), all purchases and agreements for supplies and services made by PREPA, with the exception of professional services agreements, shall be made through a formal bid procedure.</p> <p>Section 15(2) provides the instances in which a bid process will not be required. Section 15(2)(b) provides that bid procedure will not be required "[w]hen and emergency requires immediate delivery of the material, supplies or equipment or performance of the services". Moreover, Section 15(2)(f) provides that a bid process will not be required "[w]hen in the judgment of the Board a request for proposals (RFP) process shall be carried out for the acquisition of goods, equipment, supplies, or services to promote greater competition, reduce the risk of collusion, and promote the best possible terms and conditions to achieve greater savings and reduce the operating costs and expenses of [PREPA]."</p> <p><i>Page 1 of the Generation Contract and page 1 of the Operation and Maintenance Agreement comply with this requirement by citing Section 15(2)(f) of the PREPA Act.</i></p>
2.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Section III.A of the Procedure	<p>RFP shall be completed through PREPA's electronic sourcing platform (PowerAdvocate).</p> <p><i>Proof of Notice.</i></p>
3.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Section III.B of the Procedure –	<p>Suppliers must be registered in PREPA's Supplier's Registry prior to execution of the contract.</p> <p><i>Section 1.4 of the RFP complies with this requirement.</i></p>
4.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Section III.G of the Procedure	<p>According to Section B of the Rules for Levels of Approval of Documents (<i>Norma Sobre Niveles de Aprobación de Documentos</i>), any agreement exempt from the requirement of a bid process in excess of \$200,000 must be approved by PREPA's governing board. The agreement must be executed by PREPA's Executive Director.</p> <p><i>Resolution No. 4640.</i></p>
5.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Section III.I of the Procedure	<p>Section III.I of the Procedure provides that PREPA may require a Performance Bond and, for agreements in excess of \$150,000, a Payment Bond.</p> <p>Moreover, Section 530.4.1 of PREPA's Administrative Manual provides that a Performance Bond and a Payment Bond shall be required in bid and request for proposal processes. In addition, a Bid Bond shall be required in bid processes.</p> <p><i>Article 39 of the Generation Contract and Article 13 of the Operation and Maintenance Agreement comply with this requirement.</i></p>
6.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	Section III.K of the Procedure	<p>Section III.K of the Procedure requires all purchases of equipment to include the warranty, special conditions of operation or exceptions in the text of the order or the scope of the agreement.</p>

			<i>Article 39 of the Generation Contract and Article 7 of the Operation and Maintenance Agreement comply with this requirement.</i>
7.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	Section III.O of the Procedure	Section III.O of the Procedure requires all requisitions, material requests or purchase orders to include an active account. <i>Article 3 of the Generation Contract and Article 5 of the Operation and Maintenance Agreement comply with this requirement.</i>
8.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Minimum period for Delivery of Invitation to RFP	Section 530.3 of PREPA's Administrative Manual states that all invitations to RFP shall be sent with sufficient time prior to the proposed date of opening, and further provides that five days shall be deemed as sufficient time. <i>Section 1.3 of the RFP and document titled Proof of Notice comply with this requirement.</i>
9.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Section 3 of the Guide	The Executive Director shall appoint an Evaluation Committee with a minimum of three members for each RFP in order to assist with the selection of proponents and the negotiation of the contract terms. <i>Designation of Evaluation Committee RFP Mobile Generation.</i>
Section 4.6 of the Guide – Contents of the Request for Proposals			
10.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(a)	Description of the project, business model, solution or strategical acquisition that will be developed. <i>Section 2 of the RFP complies with this requirement.</i>
11.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(b)	A description and schedule of the proposed timeline for the selection process. <i>Section 1.5 of the RFP complies with this requirement.</i>
12.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(c)	Instructions with respect to the format, PREPA's electronic platform for the filing of proposals or any other technical specifications. <i>Section 4.3 of the RFP complies with this requirement.</i>
13.	Y <input type="checkbox"/> N <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	(d)	If applicable, an outline of the independent procedure for environmental compliance. <i>Section 2 of the RFP requires that the generation units comply with environmental laws and regulations.</i>
14.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(e)	A petition by PREPA for proponents to be able to submit, before the proposal, Alternative Technical Concepts or Alternative Financial Concepts. <i>PREPA has indicated that this requirements does not apply.</i>
15.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(f)	A statement with respect to the type of selection process to be employed by PREPA. <i>Section 3.2 of the RFP complies with this requirement.</i>
16.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(g)	The minimum applicable Evaluation Criteria. <i>Sections 3.1 and 3.2 of the RFP comply with this requirement.</i>
17.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(h)	Any bid bond that may be required by PREPA. <i>PREPA has indicated that bid bonds are not being required for RFPs.</i>

18.	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>	(i)	If applicable, a statement with respect to any contingent financing or any other conditions, contingences, approvals, authorizations, certifications that would be required for the execution of the agreement.
19.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(j)	The date and time before which and the place in which proposals must be submitted. <i>Section 1.3 of the RFP complies with this requirement.</i>
20.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(k)	The point of contact designated by PREPA or his or her delegate. <i>Section 1.3 of the RFP complies with this requirement.</i>
21.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(m)	A clause regarding confidentiality. <i>Section 5 of the RFP complies with this requirement.</i>
22.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(o)	A clause expressly indicating that the RFP may be amended by the publication of addenda. <i>Section 1.3, 1.6, together with the definition of "RFP" of the RFP complies with this requirement.</i>
23.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(p)	A requirement that all proponents certify that it has complied with the requirements set forth in Section 4.17 of the Rules. <i>Section 9 of the RFP complies with this requirement.</i>
Section 4.7 of the Guide – Requests for Clarification			
24.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(a)	Requests for Clarification must be presented by proponents at least 15 days prior to the due date for submitting the proposals. <i>Section 1.3 of the RFP complies with this requirement.</i>
25.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(b)	Requests for clarification must be submitted in writing via PowerAdvocate or during Pre-Bid meetings. <i>Requests for Clarifications to ARG Precision, Corp., Siemens Energy, Inc., and RG Engineering, Inc. dated September 27, 2018</i>
26.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(c)	Responses to any Requests for Clarification (submitted in writing or during pre-bid meetings) must be published by PREPA through PowerAdvocate at least 3 days prior to the due date for submitting the proposals. <i>PREPA has indicated that responses were published at least 3 days prior to the due date for submitting the proposals.</i>
Section 5.1 of the Guide – Process of Evaluation			
27.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(a)	Quality Control (Short List) The Evaluation Committee shall, within five days of the due date for submitting proposals (unless extended pursuant to Section 5.1(a)(i) of the Guide) evaluate the proposals and determine which proposals meet pass the quality control review by meeting all basic requirements set forth in the RFP and the Guide. Proponents will be notified in writing if they pass or do not pass the quality control review. <i>PREPA has indicated that the Evaluation Committee determined that all proponents met all basic requirements set forth in the RFP.</i>
Section 7 of the Guide – Adjudication			

28.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Section 7.1	<p>The Evaluation Committee has prepared a report to the Chief of the Supplies Division including the justification to enter into the contract, the justification for selection of the winning proponent, a description of the process executed, comparisons between the selected solution with others and other relevant information.</p> <p><i>Document titled "Evaluation Report" complies with this requirement.</i></p>
29.	Y <input type="checkbox"/> N <input type="checkbox"/>	Section 7.1 PREMATURE	The Evaluation Committee report was presented to the Chief of the Supplies Division no later than thirty (30) days after negotiation with the selected proponent(s) was completed.
30.	Y <input type="checkbox"/> N <input type="checkbox"/>	Section 7.3 PREMATURE	The selection of the winning proponent(s) was made public. Written notice was provided to all participants in the short list within 5 days after approval by the Chief of the Supplies Division.
31.	Y <input type="checkbox"/> N <input type="checkbox"/>	Section 7.3 PREMATURE	The notice of adjudication notifies to the non-selected proponents of their right to submit a motion for reconsideration pursuant to Act 170 of 1988, and that if such reconsideration is solicited, the non-selected proponent must notify the other participating bidders.

PUERTO RICO GOVERNMENT CONTRACTING PROVISIONS*Reviewed by Pietrantonio Méndez & Álvarez LLC*

Complies	Required Provision
	Contractor shall be required to submit the following documents or certifications:
<u>CERTIFICATIONS REQUIRED UNDER EXECUTIVE ORDERS OE-1991-24 AND OE-1992-52:</u>	
Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	<u>Treasury Department (Income Tax Debt Certification):</u> Certification issued by the Treasury Department of Puerto Rico which indicates that Contractor does not owe taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan in full compliance with its terms. (Form SC 6096) <i>Article 52(E) of the Generation Contract and Article 25(D) of the Operation and Maintenance Agreement comply with this requirement.</i>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	<u>Treasury Department (Filing of Income Tax Returns):</u> An Income Tax Return Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Contractor has filed his Income Tax Return for the last five (5) tax years. (Form SC 6088) <i>Article 52(F) of the Generation Contract and Article 25(E) of the Operation and Maintenance Agreement comply with this requirement. However, both of these provisions require that the contractor file his Income Tax Returns for the last sixty (60) contributory periods.</i>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<u>Department of Labor and Human Resources:</u> Certificate, issued by the Department of Labor and Human Resources of Puerto Rico, assuring that Contractor has paid to the Department of Labor and Human Resources of Puerto Rico its employees' contributions accruing during the last five (5) years, in accordance with the Puerto Rico Employment Security Act (unemployment, temporary disability or sickness or social security for drivers/chauffeurs); or is paying such contributions by an installment plan in full compliance with its terms. <i>Article 52(B) of the Generation Contract and Article 25(B) of the Operation and Maintenance Agreement comply with this requirement.</i>
<u>CERTIFICATIONS REQUIRED UNDER ACT 237-2004 AND TREASURY DEPARTMENT CIRCULAR LETTER 1300-16-16: (Applicable for professional and consulting services.)</u>	
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<u>Treasury Department (Merchant's Registration):</u> Copy of Contractor's Merchant's Registration Certificate. (Form SC 2918) <i>Article 52(R) of the Generation Contract and Article 25(F) of the Operation and Maintenance Agreement comply with this requirement.</i>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<u>Treasury Department (Sales and Use Tax Debt Certification):</u> Certification issued by the Treasury Department of Puerto Rico which indicates that Contractor does not owe Puerto Rico Sales and Use Taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan and is in full compliance with its terms. (Form SC 2942) <i>Article 52(E) of the Generation Contract and Article 25(D) of the Operation and Maintenance Agreement comply with this requirement.</i>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<u>Treasury Department (Filing of Sales and Use Tax Returns):</u> A Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Contractor has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods. (Form SC 2927)

	<i>Article 52(F) of the Generation Contract and Article 25(E) of the Operation and Maintenance Agreement comply with this requirement.</i>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p><u>Municipal Revenues Collection Center (Personal Property Taxes):</u></p> <p>Certification issued by the Municipal Revenues Collection Center ("MRCC"), assuring that Contractor does not owe any tax accruing during the last five (5) years to such governmental agency with respect to personal property; <i>or</i></p> <p>Negative Debt certification issued by the MRCC with respect to personal property taxes and a sworn statement executed by Contractor indicating that (i) its revenues are derived from the rendering of professional services, (ii) during the last 5 years (or the time in which it has been providing professional services) it has had no taxable business or personal property on the 1st of January of each year, (iii) that for such reasons it has not been required to file personal property tax returns, as required under Article 6.03 of Act 83-1991, as amended and (iv) that for such reason it does not have an electronic tax file in the MRCC's electronic system.</p> <p><i>Article 52(D) of the Generation Contract and Article 25(C) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p><u>Municipal Revenues Collection Center (Real Property Taxes):</u></p> <p>All Concepts Debt Certification issued by the MRCC assuring that Contractor does not owe any taxes to such governmental agency with respect to real and personal property; <i>or</i></p> <p>Negative Debt certification issued by the MRCC with respect to real property taxes.</p> <p><i>Article 52 (D) of the Generation Contract and Article 25(C) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p><u>Child Support Administration:</u></p> <p>Certification, issued by the Child Support Administration, assuring that Contractor is in compliance with the withholdings required by law as an employer.</p> <p><i>Article 52(G) of the Generation Contract and Article 25(G) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p><u>Department of State (Organization Documents):</u></p> <p>Certificate of Incorporation, or Certificate of Organization or Certificate of Authorization To Do Business In Puerto Rico issued by the Puerto Rico Department of State.</p> <p><i>Article 52(S) of the Generation Contract and Article 25(I) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p><u>Department of State (Good Standing Certificate):</u></p> <p>Good Standing Certificate issued by the Puerto Rico Department of State.</p> <p><i>Article 52(T) of the Generation Contract and Article 25(H) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
	<p>If any of the previously required Certifications shows a debt, and Contractor has requested a review or adjustment of this debt, Contractor will certify that it has made such request at the time of the Contract execution. If the requested review or adjustment is denied and such determination is final, Contractor will provide, immediately, to PREPA a proof of payment of this debt; otherwise, Contractor accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments.</p> <p>Contractor recognizes that submittal of the aforementioned certifications and documents is an essential condition of this Contract; and even in the case that they are partially incorrect, there will be sufficient cause for PREPA to terminate, cancel or rescind the Contract, and Contractor have to refund all payments received.</p>

PROVISIONS REQUIRED UNDER ACT 168-2000, AS AMENDED, KNOWN AS THE LAW FOR THE STRENGTHENING OF THE FAMILY SUPPORT AND LIVELIHOOD OF ELDERLY PEOPLE:

(Applicable to professional and consulting services.)

Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p>The Contractor hereby certifies that if there is any Judicial or Administrative Order demanding payment or any economic support under Act. No. 168-2000, as amended, the same is current and in all aspects in compliance.</p> <p><i>Article 52(U) of the Generation Contract and Article 25(N) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
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PROVISIONS REQUIRED UNDER ACT 48-2013.

(Applicable to professional, consulting, advertising, training and counseling agreements.)

Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p><u>Special Contribution for Professional and Consulting Services:</u></p> <p>PREPA shall withhold the special contribution of one point five percent (1.5%) of the gross amounts paid under this Agreement.</p> <p><i>Article 52(V) of the Generation Contract and Article 25(J) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
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PROVISIONS REQUIRED UNDER ANTI-CORRUPTION CODE FOR THE NEW PUERTO RICO (ACT 2-2018):

Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	<p>The Contractor hereby agrees to comply with the provisions of Act No. 2-2018, known as the Anti-Corruption Code for the New Puerto Rico.</p> <p><i>Article 52(O) of the Generation Contract and Article 25(X) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	<p>All invoices must include a written certification stating that no officer or employee of PREPA will derive or obtain any benefit or profit of any kind from this Agreement. Invoices that do not include this certification will not be accepted. This certification must read as follows:</p> <p><i>"We certify under penalty of nullity that no public servant of PREPA will derive or obtain any benefit or profit of any kind from the contractual relationship which is the basis of this invoice. If such benefit or profit exists, the required waiver has been obtained prior to entering into the Agreement. The only consideration to be received in exchange for the delivery of goods or for the Services provided is the agreed-upon price that has been negotiated with an authorized representative of the PREPA. The total amount shown on this invoice is true and correct. The Services have been rendered, and no payment has been received."</i></p> <p><i>Article 3 of the Generation Contract and Article 6(C) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	<p>The Contractor hereby certifies that it does not represent particular interests in cases or matters that imply a conflicts of interest, or of public policy, between the executive agency and the particular interests it represents. <i>(Also required by Act 1-2012 and Act 237-2004 (3 L.P.R.A. 8615(g))).</i></p> <p><i>Article 52(O) of the Generation Contract and Article 25(X) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	<p>Contractor shall furnish a sworn statement to the effect that neither Contractor nor any president, vice president, executive director or any member of a board of officials or board of directors, or any person performing equivalent functions for Contractor has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico or any of the crimes included in Act 2-2018.</p>

	<i>Article 52(O) of the Generation Contract and Article 25(X) of the Operation and Maintenance Agreement comply with this requirement.</i>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Contractor hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico. <i>Article 52(O) of the Generation Contract and Article 25(X) of the Operation and Maintenance Agreement comply with this requirement.</i>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	PREPA shall have the right to terminate the agreement in the event Contractor is convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico. <i>Article 52(O) of the Generation Contract and Article 25(X) of the Operation and Maintenance Agreement comply with this requirement.</i>
<u>PROVISIONS REQUIRED UNDER ACT NO. 18-1975, AS AMENDED:</u>	
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<u>Registration of Agreement in the Office of the Puerto Rico Comptroller:</u> Payment for Services object of this Agreement will not be made until this Agreement is properly registered in the Office of the Controller of the Government of Puerto Rico. <i>Article 52(I) of the Generation Contract and Article 25(O) of the Operation and Maintenance Agreement comply with this requirement.</i>
<u>PROVISIONS REQUIRED UNDER ACT 237-2004, AS AMENDED.</u> (Applicable to professional and consulting services.)	
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<u>Legal Provision under which contract is executed:</u> (3 L.P.R.A. 8615(b)) PREPA is authorized to execute this contract pursuant to [Section 205(2)(f) of Act 83 of May 2, 1941]. <i>Page 1 of the Generation Contract and page 1 of the Operation and Maintenance Agreement comply with this requirement.</i>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<u>Prohibition with respect to execution by public officers:</u> (3 L.P.R.A. 8615(c)) No public officer or employee authorized to contract on behalf of the executive agency for which he/she works may execute a contract between the agency for which he/she works and an entity or business in which he/she or any member of his/her family unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office. <i>Article 52(J) of the Generation Contract and Article 25(S) of the Operation and Maintenance Agreement comply with this requirement.</i>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	<u>Prohibition with respect to contracting with officers or employees:</u> (3 L.P.R.A. 8615(d))

N/A <input type="checkbox"/>	<p>No executive agency may execute a contract in which any of its officers or employees or any member of their family units has or has had direct or indirect economic interest during the last four (4) years prior to their holding office, unless the Governor gives authorization thereto with the previous recommendation of the Secretary of the Treasury and the Secretary of Justice.</p> <p><i>Article 52(K) of the Generation Contract and Article 25(T) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p><u>Prohibition with respect to contracts with officers and employees of other Government entities:</u> (3 L.P.R.A. 8615(e))</p> <p>No public officer or employee may be a party to or have any interest in any profits or benefits produced by a contract with any other executive agency or government dependency unless the Governor gives express authorization thereto with previous recommendation from the Secretary of the Treasury and the Secretary of Justice.</p> <p><i>Article 52(L) of the Generation Contract and Article 25(U) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p><u>Prohibition with respect to evaluation and approval by public officers:</u> (3 L.P.R.A. 8615(f))</p> <p>No public officer or employee who has the power to approve or authorize contracts shall evaluate, consider, approve or authorize any contract between an executive agency and an entity or business in which he/she or any member of his/her family unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office.</p> <p><i>Article 52(M) of the Generation Contract and Article 25(V) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p><u>Prohibition with respect to execution by public officers contracts with former public officers:</u> (3 L.P.R.A. 8615(h))</p> <p>No executive agency shall execute contracts with or for the benefit of persons who have been public officers or employees of said executive agency until after two (2) years have elapsed from the time said person has ceased working as such.</p> <p><i>Article 52(N) of the Generation Contract and Article 25(W) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p><u>Income Tax Withholdings:</u> (3 L.P.R.A. 8615(i))</p> <p>The Contractor is an independent contractor and as such shall be responsible for the payment of all of its income taxes, its subcontractors and its individual and employers' withholdings under the applicable tax laws of Puerto Rico or the U.S. Internal Revenue Code. PREPA shall withhold or deduct from payments to the Contractor for services rendered any withholdings required by the Puerto Rico Internal Revenue Code and its regulations, including without limitation, the 7% withholding tax for services rendered in Puerto Rico (unless evidence is provided to PREPA of a total or partial waiver having been issued to Contractor by the Puerto Rico Department of Treasury) or as otherwise required by law. PREPA shall forward any such withholdings or deductions to the Secretary of the Treasury of Puerto Rico. PREPA also will notify the Secretary of the Treasury of all payments and reimbursements made to the Contractor.</p> <p>The Contractor will request PREPA not to make such withholdings if, to the satisfaction of PREPA, the Contractor timely provides a release from such obligation by the Government of Puerto Rico's Treasury Department.</p> <p><i>Article 42 of the Generation Contract and Article 25(L) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/>	<p><u>Funds:</u> (3 L.P.R.A. 8615(j))</p>

<input type="checkbox"/> N <input type="checkbox"/> N/A	<p>PREPA certifies that the funds for the payment of Services rendered under this Agreement come from budgetary allocations. All disbursements for such payments shall be made from account [TBD].</p> <p><i>Article 3 of the Generation Contract and Article 5 of the Operation and Maintenance Agreement comply with this requirement.</i></p>
<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A	<p><u>Child Support:</u> (3 L.P.R.A. 8615(k))</p> <p>Contractor is not duty bound to pay child support, or if so, that Contractor is up to date or has a payment plan to such effects.</p> <p><i>Article 52(G) of the Generation Contract and Article 25(G) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A	<p><u>Termination for Convenience:</u> (3 L.P.R.A. 8615(l))</p> <p>PREPA shall have the right to terminate this Agreement with thirty (30) days prior written notice to the Contractor.</p> <p><i>Article 49 of the Generation Contract and Article 20 of the Operation and Maintenance Agreement comply with this requirement.</i></p>
<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A	<p><u>Immediate Termination:</u> (3 L.P.R.A. 8615(m))</p> <p>PREPA shall have the right to terminate this Agreement immediately in the event of negligence, dereliction of duties or noncompliance by the Contractor.</p> <p><i>Article 19 of the Generation Contract and Article 20 of the Operation and Maintenance Agreement comply with this requirement.</i></p>
<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A	<p><u>Dispensation:</u> (3 L.P.R.A. 8615(n))</p> <p>Any and all necessary dispensations have been obtained from any government entity and that said dispensations shall become part of the contracting record.</p> <p><i>Article 52(X) of the Generation Contract and Article 25(P) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A	<p><u>No Compensation for Appointments:</u> (3 L.P.R.A. 8615(o)) <i>(only applicable to agreements with individuals)</i></p> <p>The Contractor acknowledges and accepts that he or she receives no payments or compensation for regular services rendered under a designation from any other public entity, except those authorized by law.</p>
<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A	<p><u>Rules of Professional Ethics:</u> (3 L.P.R.A. 8615(p))</p> <p>The Contractor acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.</p> <p><i>Article 52(Y) of the Generation Contract and Article 25(R) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
<u>PROVISIONS REGARDING WORKMEN'S COMPENSATION.</u>	
<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A	<p>The Contractor shall provide workmen's compensation insurance as required by Act 45-1935, as amended. Contractor shall also be responsible for compliance with Act 45 by all its subcontractors, agents and invitees, if any, or shall certify that such subcontractors, agents and invitees have obtained said policies on their own behalf. Contractor shall furnish to PREPA a certificate from the Puerto Rico's State Insurance Fund showing that all personnel employed in the work are covered by the workmen's compensation insurance, in accordance with this Agreement.</p>

	<i>Article 20 of the Generation Contract and Article 13 of the Operation and Maintenance Agreement comply with this requirement.</i>
<u>PROVISIONS REQUIRED UNDER JOINT MEMORANDUM 2017-001 OF THE GOVERNOR'S CHIEF OF STAFF AND THE OFFICE OF MANAGEMENT AND BUDGET:</u>	
<i>(Applicable to contracts for professional or acquired services in excess of \$10,000.)</i>	
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<u>Interagency Services Clause:</u> Both contracting parties acknowledge and accept that the contracted services may be rendered to any entity of the Executive Branch with which the contracting entity enters into an interagency agreement with or as determined by the office of the Chief of Staff. These services shall be rendered under the same terms and conditions with respect to work hours and compensation, as set forth in this agreement. For purposes of this provision, the term "entity of the Executive Branch" includes all agencies of the Government of Puerto Rico as well as all instrumentalities and public corporations and the Office of the Governor. <i>Article 51(1) of the Generation Contract and Article 24 of the Operation and Maintenance Agreement comply with this requirement.</i>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<u>Termination Clause Required under Section XI of Joint Memorandum 2017-001 of the Governor's Chief of Staff and the Office of Management and Budget:</u> The office of the Chief of Staff shall have the authority to terminate this agreement at any time. <i>Article 51(2) of the Generation Contract and Article 24 of the Operation and Maintenance Agreement comply with this requirement.</i>
<u>PROVISIONS REQUIRED UNDER ACT 14-2004:</u>	
<i>(Applicable to service contracts.)</i>	
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	Articles extracted, produced, assembled, packaged or distributed in Puerto Rico by enterprises with operations in Puerto Rico, or distributed by agents established in Puerto Rico shall be used when the service is rendered, provided that they are available. <i>Article 52(W) of the Generation Contract and Article 25(Q) of the Operation and Maintenance Agreement comply with this requirement.</i>

Natalia Martinez Lugo

From: Natalia Martinez Lugo
Sent: Thursday, October 11, 2018 12:37 PM
To: 'OCPC'; Delis Tamara Zambrana Colon
Cc: michael.white@hornellp.com; Viviana Ramirez; Eunice Garcia; Christopher Sorensen
Subject: RE: <<EXTERNAL EMAIL>>ARG Precision Corp. Submission

Good morning

As requested, we provided access to the event in PowerAdvocate 82695 for the Mobile Generation Units to Viviana Ramirez.

In reference to the following minor observations:

- **Responses to any Request for Clarification (submitted in writing or during pre-bid meetings) must be published by PREPA through PowerAdvocate at least 3 days prior to the due date for submitting the proposals.**

PREPA provided to all proponents responses to the request for clarifications three (3) days prior to the due date for the submitting of their proposals.

- **Quality Control (Short list)**
The evaluation Committee shall, within five days of the due date for submitting proposals (unless extended pursuant to Section 5.1(a)(i) of the Guide) evaluate the proposals and determine which proposals meet pass the quality control review by meeting all basic requirements set forth in the RFP and Guide. Proponents will be notified in writing if they pass or do not pass the quality control review.

For this event the Committee evaluated the proposals and determine that all proponents meet all basic requirements set forth in the RFP and Guide.



Natalia Martínez Lugo
Purchasing Supervisor
Materials Management Division
e-mail: natalia.martinez@aeepr.com
787.521.1394

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From: OCPC [<mailto:ocpc@aafaf.pr.gov>]

Sent: Thursday, October 11, 2018 9:19 AM

To: Delis Tamara Zambrana Colon; Natalia Martinez Lugo

Cc: michael.white@hornellp.com; Viviana Ramirez; Eunice Garcia; Christopher Sorensen

Subject: <<EXTERNAL EMAIL>>ARG Precision Corp. Submission

Good morning,

We have two minor observations on this submission, that could be verified if we had access to RFP 82695 in Power Advocate. We provided the non-disclosure agreements earlier this week. Would it be possible to get Power Advocate access to this RFP.

If you would like to discuss the minor observations, we would be happy to meet at your earliest convenience.

Thanks,
Chris Sorensen

**PUERTO RICO ELECTRIC POWER AUTHORITY
OFFICE OF PROCUREMENT AND CONTRACT COMPLIANCE**

REVIEW ABSTRACT

Title: RFP 82695 – Mobile Generation Units

Party(ies) contracting with PREPA: ARG Precision, Corp.

Date of contract: TBD

Date contract received: Vendor Selection Review for RFP 82695 received on October 4, 2018

Date review completed: October 10, 2018

Documents received and reviewed:

- RFP 82695
- Draft Contract for Mobile Generation Units
- Draft Operations and Maintenance Agreement
- PREPA PowerAdvocate Supplier Quick Start Guide
- PREPA's Supplier Registry Information
- Guide for Procedure for Acquisition of Goods or Services through Requests for Proposals (*Guía para Procesos de Adquisiciones de Bienes o Servicios a Través de Solicitud de Propuestas*) (the “*Guide*”)
- Addendums No. 1, 2, 3, 4, 5, 6, and 7
- Attachments No.1 through No. 22
- Proof of Notice
- Mobile Generators Estimates
- Responses to Solicitations by ARG Precision Corp., Caribe GE Energy Services Corp., PW Power Systems, LLC, RG Engineering, Inc., and Siemens Energy, Inc.
- Evaluation Report
- Price Proposal Comparison Model
- Designation of Evaluation Committee RFP Mobile Generation (*Designación Comité Evaluador para RFP Adquisición Generación Portátil*)
- Debarment Verification Documents
- Mobile Generation Price Analysis
- Price Comparison
- Price Proposal
- Resolution No. 4640
- Certification of Procurement Compliance executed by Edgardo Díaz on October 4, 2018.
- Justification Memorandum by José F. Ortiz dated August 10, 2018.
- Requests for Clarifications to ARG Precision, Corp. dated September 27, 2018
- Requests for Clarifications to Siemens Energy, Inc. dated September 27, 2018.

- Requests for Clarifications to RG Engineering, Inc. dated September 27, 2018
- Responses to Clarifications by ARG Precision, Corp.
- Responses to Clarifications by Siemens Energy, Inc.
- Responses to Clarifications by RG Engineering Inc.
- OCPC Review Form

Complies with PREPA Procurement Regulations and Procedures:
Details in Exhibit A.

Yes ☒ No ☐

Draft of agreement complies with Puerto Rico contracting provisions:
Details in Exhibit B.

Yes ☒ No ☐

Additional Comments:

Based on the information provided, the procurement process appears to comply with PREPA Procurement regulations and procedures. However, we have not had access to all of the information necessary to complete this assessment. PREPA will need to provide evidence that the responses to the Requests for Clarification were published by PREPA through PowerAdvocate at least 3 days prior to the due date for submitting the proposals, and that proponents were notified in writing if they passed or did not pass the quality control review.

Review of subsequent stages of this procurement will be required.

PREPA PROCUREMENT PROVISIONS

#	Complies	Requirement	Comments
1.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Authority of PREPA to execute proposed procedure.	<p>Pursuant to Section 15(1)(a) of Act 83-1941, as amended, known as the Puerto Rico Electric Power Authority Act (the "PREPA Act"), all purchases and agreements for supplies and services made by PREPA, with the exception of professional services agreements, shall be made through a formal bid procedure.</p> <p>Section 15(2) provides the instances in which a bid process will not be required. Section 15(2)(b) provides that bid procedure will not be required "[w]hen and emergency requires immediate delivery of the material, supplies or equipment or performance of the services". Moreover, Section 15(2)(f) provides that a bid process will not be required "[w]hen in the judgment of the Board a request for proposals (RFP) process shall be carried out for the acquisition of goods, equipment, supplies, or services to promote greater competition, reduce the risk of collusion, and promote the best possible terms and conditions to achieve greater savings and reduce the operating costs and expenses of [PREPA]."</p> <p><i>Page 1 of the Generation Contract and page 1 of the Operation and Maintenance Agreement comply with this requirement by citing Section 15(2)(f) of the PREPA Act.</i></p>
2.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Section III.A of the Procedure	<p>RFP shall be completed through PREPA's electronic sourcing platform (PowerAdvocate).</p> <p><i>Proof of Notice.</i></p>
3.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Section III.B of the Procedure –	<p>Suppliers must be registered in PREPA's Supplier's Registry prior to execution of the contract.</p> <p><i>Section 1.4 of the RFP complies with this requirement.</i></p>
4.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Section III.G of the Procedure	<p>According to Section B of the Rules for Levels of Approval of Documents (<i>Norma Sobre Niveles de Aprobación de Documentos</i>), any agreement exempt from the requirement of a bid process in excess of \$200,000 must be approved by PREPA's governing board. The agreement must be executed by PREPA's Executive Director.</p> <p><i>Resolution No. 4640.</i></p>
5.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Section III.I of the Procedure	<p>Section III.I of the Procedure provides that PREPA may require a Performance Bond and, for agreements in excess of \$150,000, a Payment Bond.</p> <p>Moreover, Section 530.4.1 of PREPA's Administrative Manual provides that a Performance Bond and a Payment Bond shall be required in bid and request for proposal processes. In addition, a Bid Bond shall be required in bid processes.</p> <p><i>Article 39 of the Generation Contract and Article 13 of the Operation and Maintenance Agreement comply with this requirement.</i></p>
6.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	Section III.K of the Procedure	<p>Section III.K of the Procedure requires all purchases of equipment to include the warranty, special conditions of operation or exceptions in the text of the order or the scope of the agreement.</p>

			Article 39 of the Generation Contract and Article 7 of the Operation and Maintenance Agreement comply with this requirement.
7.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	Section III.O of the Procedure	Section III.O of the Procedure requires all requisitions, material requests or purchase orders to include an active account. Article 3 of the Generation Contract and Article 5 of the Operation and Maintenance Agreement comply with this requirement.
8.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Minimum period for Delivery of Invitation to RFP	Section 530.3 of PREPA's Administrative Manual states that all invitations to RFP shall be sent with sufficient time prior to the proposed date of opening, and further provides that five days shall be deemed as sufficient time. Section 1.3 of the RFP and document titled Proof of Notice comply with this requirement.
9.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Section 3 of the Guide	The Executive Director shall appoint an Evaluation Committee with a minimum of three members for each RFP in order to assist with the selection of proponents and the negotiation of the contract terms. Designation of Evaluation Committee RFP Mobile Generation.
Section 4.6 of the Guide – Contents of the Request for Proposals			
10.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(a)	Description of the project, business model, solution or strategical acquisition that will be developed. Section 2 of the RFP complies with this requirement.
11.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(b)	A description and schedule of the proposed timeline for the selection process. Section 1.5 of the RFP complies with this requirement.
12.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(c)	Instructions with respect to the format, PREPA's electronic platform for the filing of proposals or any other technical specifications. Section 4.3 of the RFP complies with this requirement.
13.	Y <input type="checkbox"/> N <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	(d)	If applicable, an outline of the independent procedure for environmental compliance. Section 2 of the RFP requires that the generation units comply with environmental laws and regulations.
14.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(e)	A petition by PREPA for proponents to be able to submit, before the proposal, Alternative Technical Concepts or Alternative Financial Concepts. PREPA has indicated that this requirements does not apply.
15.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(f)	A statement with respect to the type of selection process to be employed by PREPA. Section 3.2 of the RFP complies with this requirement.
16.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(g)	The minimum applicable Evaluation Criteria. Sections 3.1 and 3.2 of the RFP comply with this requirement.
17.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(h)	Any bid bond that may be required by PREPA. PREPA has indicated that bid bonds are not being required for RFPs.

18.	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>	(i)	If applicable, a statement with respect to any contingent financing or any other conditions, contingences, approvals, authorizations, certifications that would be required for the execution of the agreement.
19.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(j)	The date and time before which and the place in which proposals must be submitted. <i>Section 1.3 of the RFP complies with this requirement.</i>
20.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(k)	The point of contact designated by PREPA or his or her delegate. <i>Section 1.3 of the RFP complies with this requirement.</i>
21.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(m)	A clause regarding confidentiality. <i>Section 5 of the RFP complies with this requirement.</i>
22.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(o)	A clause expressly indicating that the RFP may be amended by the publication of addenda. <i>Section 1.3, 1.6, together with the definition of "RFP" of the RFP complies with this requirement.</i>
23.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(p)	A requirement that all proponents certify that it has complied with the requirements set forth in Section 4.17 of the Rules. <i>Section 9 of the RFP complies with this requirement.</i>
Section 4.7 of the Guide – Requests for Clarification			
24.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(a)	Requests for Clarification must be presented by proponents at least 15 days prior to the due date for submitting the proposals. <i>Section 1.3 of the RFP complies with this requirement.</i>
25.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(b)	Requests for clarification must be submitted in writing via PowerAdvocate or during Pre-Bid meetings. <i>Requests for Clarifications to ARG Precision, Corp., Siemens Energy, Inc., and RG Engineering, Inc. dated September 27, 2018</i>
26.	Y <input type="checkbox"/> N <input type="checkbox"/>	(c)	Responses to any Requests for Clarification (submitted in writing or during pre-bid meetings) must be published by PREPA through PowerAdvocate at least 3 days prior to the due date for submitting the proposals. <i>Unable to confirm.</i>
Section 5.1 of the Guide – Process of Evaluation			
27.	Y <input type="checkbox"/> N <input type="checkbox"/>	(a)	Quality Control (Short List) The Evaluation Committee shall, within five days of the due date for submitting proposals (unless extended pursuant to Section 5.1(a)(i) of the Guide) evaluate the proposals and determine which proposals meet pass the quality control review by meeting all basic requirements set forth in the RFP and the Guide. Proponents will be notified in writing if they pass or do not pass the quality control review. <i>Unable to confirm.</i>
Section 7 of the Guide – Adjudication			

Addendum No. 5
9.20.18
Addendum No. 6
9.21.18
Addendum No. 7
9.21.18
Close
9.24.18

28.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Section 7.1	<p>The Evaluation Committee has prepared a report to the Chief of the Supplies Division including the justification to enter into the contract, the justification for selection of the winning proponent, a description of the process executed, comparisons between the selected solution with others and other relevant information.</p> <p><i>Document titled "Evaluation Report" complies with this requirement.</i></p>
29.	Y <input type="checkbox"/> N <input type="checkbox"/>	Section 7.1 PREMATURE	<p>The Evaluation Committee report was presented to the Chief of the Supplies Division no later than thirty (30) days after negotiation with the selected proponent(s) was completed.</p>
30.	Y <input type="checkbox"/> N <input type="checkbox"/>	Section 7.3 PREMATURE	<p>The selection of the winning proponent(s) was made public. Written notice was provided to all participants in the short list within 5 days after approval by the Chief of the Supplies Division.</p>
31.	Y <input type="checkbox"/> N <input type="checkbox"/>	Section 7.3 PREMATURE	<p>The notice of adjudication notifies to the non-selected proponents of their right to submit a motion for reconsideration pursuant to Act 170 of 1988, and that if such reconsideration is solicited, the non-selected proponent must notify the other participating bidders.</p>

PUERTO RICO GOVERNMENT CONTRACTING PROVISIONS*Reviewed by Pietrantonio Méndez & Álvarez LLC*

Complies	Required Provision
	Contractor shall be required to submit the following documents or certifications:
<u>CERTIFICATIONS REQUIRED UNDER EXECUTIVE ORDERS OE-1991-24 AND OE-1992-52:</u>	
Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	<u>Treasury Department (Income Tax Debt Certification):</u> Certification issued by the Treasury Department of Puerto Rico which indicates that Contractor does not owe taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan in full compliance with its terms. (Form SC 6096) <i>Article 52(E) of the Generation Contract and Article 25(D) of the Operation and Maintenance Agreement comply with this requirement.</i>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	<u>Treasury Department (Filing of Income Tax Returns):</u> An Income Tax Return Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Contractor has filed his Income Tax Return for the last five (5) tax years. (Form SC 6088) <i>Article 52(F) of the Generation Contract and Article 25(E) of the Operation and Maintenance Agreement comply with this requirement. However, both of these provisions require that the contractor file his Income Tax Returns for the last sixty (60) contributory periods.</i>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<u>Department of Labor and Human Resources:</u> Certificate, issued by the Department of Labor and Human Resources of Puerto Rico, assuring that Contractor has paid to the Department of Labor and Human Resources of Puerto Rico its employees' contributions accruing during the last five (5) years, in accordance with the Puerto Rico Employment Security Act (unemployment, temporary disability or sickness or social security for drivers/chauffeurs); or is paying such contributions by an installment plan in full compliance with its terms. <i>Article 52(B) of the Generation Contract and Article 25(B) of the Operation and Maintenance Agreement comply with this requirement.</i>
<u>CERTIFICATIONS REQUIRED UNDER ACT 237-2004 AND TREASURY DEPARTMENT CIRCULAR LETTER 1300-16-16: (Applicable for professional and consulting services.)</u>	
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<u>Treasury Department (Merchant's Registration):</u> Copy of Contractor's Merchant's Registration Certificate. (Form SC 2918) <i>Article 52(R) of the Generation Contract and Article 25(F) of the Operation and Maintenance Agreement comply with this requirement.</i>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<u>Treasury Department (Sales and Use Tax Debt Certification):</u> Certification issued by the Treasury Department of Puerto Rico which indicates that Contractor does not owe Puerto Rico Sales and Use Taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan and is in full compliance with its terms. (Form SC 2942) <i>Article 52(E) of the Generation Contract and Article 25(D) of the Operation and Maintenance Agreement comply with this requirement.</i>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<u>Treasury Department (Filing of Sales and Use Tax Returns):</u> A Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Contractor has filed his Puerto Rico Sales and Use Tax for the last sixty (60)

	<p>contributory periods. (Form SC 2927)</p> <p><i>Article 52(F) of the Generation Contract and Article 25(E) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
<p>Y <input checked="" type="checkbox"/></p> <p>N <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p><u>Municipal Revenues Collection Center (Personal Property Taxes):</u></p> <p>Certification issued by the Municipal Revenues Collection Center ("MRCC"), assuring that Contractor does not owe any tax accruing during the last five (5) years to such governmental agency with respect to personal property; <i>or</i></p> <p>Negative Debt certification issued by the MRCC with respect to personal property taxes and a sworn statement executed by Contractor indicating that (i) its revenues are derived from the rendering of professional services, (ii) during the last 5 years (or the time in which it has been providing professional services) it has had no taxable business or personal property on the 1st of January of each year, (iii) that for such reasons it has not been required to file personal property tax returns, as required under Article 6.03 of Act 83-1991, as amended and (iv) that for such reason it does not have an electronic tax file in the MRCC's electronic system.</p> <p><i>Article 52(D) of the Generation Contract and Article 25(C) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
<p>Y <input checked="" type="checkbox"/></p> <p>N <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p><u>Municipal Revenues Collection Center (Real Property Taxes):</u></p> <p>All Concepts Debt Certification issued by the MRCC assuring that Contractor does not owe any taxes to such governmental agency with respect to real and personal property; <i>or</i></p> <p>Negative Debt certification issued by the MRCC with respect to real property taxes.</p> <p><i>Article 52 (D) of the Generation Contract and Article 25(C) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
<p>Y <input checked="" type="checkbox"/></p> <p>N <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p><u>Child Support Administration:</u></p> <p>Certification, issued by the Child Support Administration, assuring that Contractor is in compliance with the withholdings required by law as an employer.</p> <p><i>Article 52(G) of the Generation Contract and Article 25(G) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
<p>Y <input checked="" type="checkbox"/></p> <p>N <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p><u>Department of State (Organization Documents):</u></p> <p>Certificate of Incorporation, or Certificate of Organization or Certificate of Authorization To Do Business In Puerto Rico issued by the Puerto Rico Department of State.</p> <p><i>Article 52(S) of the Generation Contract and Article 25(I) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
<p>Y <input checked="" type="checkbox"/></p> <p>N <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p><u>Department of State (Good Standing Certificate):</u></p> <p>Good Standing Certificate issued by the Puerto Rico Department of State.</p> <p><i>Article 52(T) of the Generation Contract and Article 25(H) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
	<p>If any of the previously required Certifications shows a debt, and Contractor has requested a review or adjustment of this debt, Contractor will certify that it has made such request at the time of the Contract execution. If the requested review or adjustment is denied and such determination is final, Contractor will provide, immediately, to PREPA a proof of payment of this debt; otherwise, Contractor accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments.</p> <p>Contractor recognizes that submittal of the aforementioned certifications and documents is an essential condition of this Contract; and even in the case that they are partially incorrect, there will be sufficient cause for PREPA to terminate, cancel or rescind the Contract, and Contractor</p>

	have to refund all payments received.
<u>PROVISIONS REQUIRED UNDER ACT 168-2000, AS AMENDED, KNOWN AS THE LAW FOR THE STRENGTHENING OF THE FAMILY SUPPORT AND LIVELIHOOD OF ELDERLY PEOPLE:</u>	
<i>(Applicable to professional and consulting services.)</i>	
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p>The Contractor hereby certifies that if there is any Judicial or Administrative Order demanding payment or any economic support under Act. No. 168-2000, as amended, the same is current and in all aspects in compliance.</p> <p><i>Article 52(U) of the Generation Contract and Article 25(N) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
<u>PROVISIONS REQUIRED UNDER ACT 48-2013.</u>	
<i>(Applicable to professional, consulting, advertising, training and counseling agreements.)</i>	
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p><u>Special Contribution for Professional and Consulting Services:</u></p> <p>PREPA shall withhold the special contribution of one point five percent (1.5%) of the gross amounts paid under this Agreement.</p> <p><i>Article 52(V) of the Generation Contract and Article 25(J) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
<u>PROVISIONS REQUIRED UNDER ANTI-CORRUPTION CODE FOR THE NEW PUERTO RICO (ACT 2-2018):</u>	
Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	<p>The Contractor hereby agrees to comply with the provisions of Act No. 2-2018, known as the Anti-Corruption Code for the New Puerto Rico.</p> <p><i>Article 52(O) of the Generation Contract and Article 25(X) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	<p>All invoices must include a written certification stating that no officer or employee of PREPA will derive or obtain any benefit or profit of any kind from this Agreement. Invoices that do not include this certification will not be accepted. This certification must read as follows:</p> <p><i>"We certify under penalty of nullity that no public servant of PREPA will derive or obtain any benefit or profit of any kind from the contractual relationship which is the basis of this invoice. If such benefit or profit exists, the required waiver has been obtained prior to entering into the Agreement. The only consideration to be received in exchange for the delivery of goods or for the Services provided is the agreed-upon price that has been negotiated with an authorized representative of the PREPA. The total amount shown on this invoice is true and correct. The Services have been rendered, and no payment has been received."</i></p> <p><i>Article 3 of the Generation Contract and Article 6(C) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	<p>The Contractor hereby certifies that it does not represent particular interests in cases or matters that imply a conflicts of interest, or of public policy, between the executive agency and the particular interests it represents. <i>(Also required by Act 1-2012 and Act 237-2004 (3 L.P.R.A. 8615(g))).</i></p> <p><i>Article 52(O) of the Generation Contract and Article 25(X) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	<p>Contractor shall furnish a sworn statement to the effect that neither Contractor nor any president, vice president, executive director or any member of a board of officials or board of directors, or any person performing equivalent functions for Contractor has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico or any of the crimes included in Act 2-2018.</p>

	<i>Article 52(O) of the Generation Contract and Article 25(X) of the Operation and Maintenance Agreement comply with this requirement.</i>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Contractor hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico. <i>Article 52(O) of the Generation Contract and Article 25(X) of the Operation and Maintenance Agreement comply with this requirement.</i>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	PREPA shall have the right to terminate the agreement in the event Contractor is convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico. <i>Article 52(O) of the Generation Contract and Article 25(X) of the Operation and Maintenance Agreement comply with this requirement.</i>
<u>PROVISIONS REQUIRED UNDER ACT NO. 18-1975, AS AMENDED:</u>	
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<u>Registration of Agreement in the Office of the Puerto Rico Comptroller:</u> Payment for Services object of this Agreement will not be made until this Agreement is properly registered in the Office of the Controller of the Government of Puerto Rico. <i>Article 52(I) of the Generation Contract and Article 25(O) of the Operation and Maintenance Agreement comply with this requirement.</i>
<u>PROVISIONS REQUIRED UNDER ACT 237-2004, AS AMENDED.</u>	
<i>(Applicable to professional and consulting services.)</i>	
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<u>Legal Provision under which contract is executed:</u> (3 L.P.R.A. 8615(b)) PREPA is authorized to execute this contract pursuant to [Section 205(2)(f) of Act 83 of May 2, 1941]. <i>Page 1 of the Generation Contract and page 1 of the Operation and Maintenance Agreement comply with this requirement.</i>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<u>Prohibition with respect to execution by public officers:</u> (3 L.P.R.A. 8615(c)) No public officer or employee authorized to contract on behalf of the executive agency for which he/she works may execute a contract between the agency for which he/she works and an entity or business in which he/she or any member of his/her family unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office. <i>Article 52(J) of the Generation Contract and Article 25(S) of the Operation and Maintenance Agreement comply with this requirement.</i>

Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p><u>Prohibition with respect to contracting with officers or employees:</u> (3 L.P.R.A. 8615(d))</p> <p>No executive agency may execute a contract in which any of its officers or employees or any member of their family units has or has had direct or indirect economic interest during the last four (4) years prior to their holding office, unless the Governor gives authorization thereto with the previous recommendation of the Secretary of the Treasury and the Secretary of Justice.</p> <p><i>Article 52(K) of the Generation Contract and Article 25(T) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p><u>Prohibition with respect to contracts with officers and employees of other Government entities:</u> (3 L.P.R.A. 8615(e))</p> <p>No public officer or employee may be a party to or have any interest in any profits or benefits produced by a contract with any other executive agency or government dependency unless the Governor gives express authorization thereto with previous recommendation from the Secretary of the Treasury and the Secretary of Justice.</p> <p><i>Article 52(L) of the Generation Contract and Article 25(U) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p><u>Prohibition with respect to evaluation and approval by public officers:</u> (3 L.P.R.A. 8615(f))</p> <p>No public officer or employee who has the power to approve or authorize contracts shall evaluate, consider, approve or authorize any contract between an executive agency and an entity or business in which he/she or any member of his/her family unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office.</p> <p><i>Article 52(M) of the Generation Contract and Article 25(V) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p><u>Prohibition with respect to execution by public officers contracts with former public officers:</u> (3 L.P.R.A. 8615(h))</p> <p>No executive agency shall execute contracts with or for the benefit of persons who have been public officers or employees of said executive agency until after two (2) years have elapsed from the time said person has ceased working as such.</p> <p><i>Article 52(N) of the Generation Contract and Article 25(W) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p><u>Income Tax Withholdings:</u> (3 L.P.R.A. 8615(i))</p> <p>The Contractor is an independent contractor and as such shall be responsible for the payment of all of its income taxes, its subcontractors and its individual and employers' withholdings under the applicable tax laws of Puerto Rico or the U.S. Internal Revenue Code. PREPA shall withhold or deduct from payments to the Contractor for services rendered any withholdings required by the Puerto Rico Internal Revenue Code and its regulations, including without limitation, the 7% withholding tax for services rendered in Puerto Rico (unless evidence is provided to PREPA of a total or partial waiver having been issued to Contractor by the Puerto Rico Department of Treasury) or as otherwise required by law. PREPA shall forward any such withholdings or deductions to the Secretary of the Treasury of Puerto Rico. PREPA also will notify the Secretary of the Treasury of all payments and reimbursements made to the Contractor.</p> <p>The Contractor will request PREPA not to make such withholdings if, to the satisfaction of PREPA, the Contractor timely provides a release from such obligation by the Government of Puerto Rico's Treasury Department.</p> <p><i>Article 42 of the Generation Contract and Article 25(L) of the Operation and Maintenance Agreement comply with this requirement.</i></p>

	Agreement comply with this requirement.
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p>Funds: (3 L.P.R.A. 8615(j))</p> <p>PREPA certifies that the funds for the payment of Services rendered under this Agreement come from budgetary allocations. All disbursements for such payments shall be made from account [TBD].</p> <p><i>Article 3 of the Generation Contract and Article 5 of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p>Child Support: (3 L.P.R.A. 8615(k))</p> <p>Contractor is not duty bound to pay child support, or if so, that Contractor is up to date or has a payment plan to such effects.</p> <p><i>Article 52(G) of the Generation Contract and Article 25(G) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p>Termination for Convenience: (3 L.P.R.A. 8615(l))</p> <p>PREPA shall have the right to terminate this Agreement with thirty (30) days prior written notice to the Contractor.</p> <p><i>Article 49 of the Generation Contract and Article 20 of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p>Immediate Termination: (3 L.P.R.A. 8615(m))</p> <p>PREPA shall have the right to terminate this Agreement immediately in the event of negligence, dereliction of duties or noncompliance by the Contractor.</p> <p><i>Article 19 of the Generation Contract and Article 20 of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p>Dispensation: (3 L.P.R.A. 8615(n))</p> <p>Any and all necessary dispensations have been obtained from any government entity and that said dispensations shall become part of the contracting record.</p> <p><i>Article 52(X) of the Generation Contract and Article 25(P) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
Y <input type="checkbox"/> N <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	<p>No Compensation for Appointments: (3 L.P.R.A. 8615(o)) <i>(only applicable to agreements with individuals)</i></p> <p>The Contractor acknowledges and accepts that he or she receives no payments or compensation for regular services rendered under a designation from any other public entity, except those authorized by law.</p>
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p>Rules of Professional Ethics: (3 L.P.R.A. 8615(p))</p> <p>The Contractor acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.</p> <p><i>Article 52(Y) of the Generation Contract and Article 25(R) of the Operation and Maintenance Agreement comply with this requirement.</i></p>
PROVISIONS REGARDING WORKMEN'S COMPENSATION.	
Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	<p>The Contractor shall provide workmen's compensation insurance as required by Act 45-1935, as amended. Contractor shall also be responsible for compliance with Act 45 by all its subcontractors, agents and invitees, if any, or shall certify that such subcontractors, agents and invitees have obtained said policies on their own behalf. Contractor shall furnish to PREPA a certificate from the Puerto Rico's State Insurance Fund showing that all personnel employed in the work are covered by the workmen's compensation insurance, in accordance with this</p>

	<p>Agreement.</p> <p><i>Article 20 of the Generation Contract and Article 13 of the Operation and Maintenance Agreement comply with this requirement.</i></p>
<p><u>PROVISIONS REQUIRED UNDER JOINT MEMORANDUM 2017-001 OF THE GOVERNOR'S CHIEF OF STAFF AND THE OFFICE OF MANAGEMENT AND BUDGET:</u></p> <p><i>(Applicable to contracts for professional or acquired services in excess of \$10,000.)</i></p>	
<p>Y <input checked="" type="checkbox"/></p> <p>N <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p><u>Interagency Services Clause:</u></p> <p>Both contracting parties acknowledge and accept that the contracted services may be rendered to any entity of the Executive Branch with which the contracting entity enters into an interagency agreement with or as determined by the office of the Chief of Staff. These services shall be rendered under the same terms and conditions with respect to work hours and compensation, as set forth in this agreement. For purposes of this provision, the term "entity of the Executive Branch" includes all agencies of the Government of Puerto Rico as well as all instrumentalities and public corporations and the Office of the Governor.</p> <p><i>Article 51(1) of the Generation Contract and Article 24 of the Operation and Maintenance Agreement comply with this requirement.</i></p>
<p>Y <input checked="" type="checkbox"/></p> <p>N <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p><u>Termination Clause Required under Section XI of Joint Memorandum 2017-001 of the Governor's Chief of Staff and the Office of Management and Budget:</u></p> <p>The office of the Chief of Staff shall have the authority to terminate this agreement at any time.</p> <p><i>Article 51(2) of the Generation Contract and Article 24 of the Operation and Maintenance Agreement comply with this requirement.</i></p>
<p><u>PROVISIONS REQUIRED UNDER ACT 14-2004:</u></p> <p><i>(Applicable to service contracts.)</i></p>	
<p>Y <input checked="" type="checkbox"/></p> <p>N <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p>Articles extracted, produced, assembled, packaged or distributed in Puerto Rico by enterprises with operations in Puerto Rico, or distributed by agents established in Puerto Rico shall be used when the service is rendered, provided that they are available.</p> <p><i>Article 52(W) of the Generation Contract and Article 25(Q) of the Operation and Maintenance Agreement comply with this requirement.</i></p>

 Print this Page**Subject: Site Visit****Date:** 09/10/18 06:33 AM (AST)**From:** Eleazar Rodriguez [Pratt & Whitney]**To:** **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];**Cc:** **Pratt & Whitney Bid Team:** Eleazar Rodriguez [Pratt & Whitney];**Message:**

Please note that the following personnel will be attending the site visit tomorrow on behalf of PWPS: 1. Gustavo Manzanero.....ARG 2. Julio Nater..... ARG 3. Armando J Rodriguez.....ARG ARG will be representing PWPS in Puerto Rico for this opportunity. A formal letter will be issued shortly. regards Eleazar F. Rodriguez

Print

Close

- ✓1. Neftali Ramirez
- ✓2. Carlos Bermudez
- ✓3. Jose Vazquez
- ✓4. Miguel Del Valle
- 5. Jox Hernandez
- 6. Hector Canton
- 7. Rolando Davila
- 8. Roberto Rosario
- ✓9. Jox Cruz

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Subject: Planned Operation Provide with Estimated Annual /Hours/Starts Clarification Request

Date: 09/10/18 07:34 AM (AST)


From: Alexander Johnson [Siemens Energy, Inc]

To: **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];

Cc: **Siemens Energy, Inc Bid Team:** Alexander Johnson [Siemens Energy, Inc]; William Stefurak [Siemens Energy, Inc];

Message:

Please provide the following: 1. Please provide planned operation (peaking, base load) for the 3 gas turbines. 2. Please provide operating hours per year per unit and estimated number of starts per year per unit. 3. Please provide the estimated hours of operation in natural gas. 4. Please provide the estimated hours of operation in diesel fuel per year. Thank You

 [Print this Page](#)**Subject:** Siemens Site Visit Team 11 September 2018**Date:** 09/10/18 09:35 AM (AST)**From:** Alexander Johnson [Siemens Energy, Inc]**To:** **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];**Cc:** **Siemens Energy, Inc Bid Team:** Alexander Johnson [Siemens Energy, Inc]; William Stefurak [Siemens Energy, Inc];**Message:**

Please see list of the Siemens team participants that will be attending the site visit on Tuesday. We look forward to meeting the your team. Dennis Everett, Siemens Jack Wanna, Siemens Brad Krupa, Siemens Alejandro Bello, RPS James Rusty Bonnett, RPS Terry Keller, DCO Energy David Heap, Jingoli Power Rafael Perez, Cobra Regards,

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09/21/18 11:51 AM (EDT)	ADDENDUM NO. 6	<p>Dear Ms. Martinez,</p> <p>Section 4, CERTAIN PREPA OBLIGATIONS, of the RFP document #1.3, describes that PREPA is,</p> <p>4.g. to perform all manufacturer-recommended scheduled overhauls of PREPA's Components in a timely manner; and</p> <p>4.i. to perform in a timely manner all required maintenance of the Purchased Equipment other than the routine maintenance to be performed by Contractor as specified in Exhibit C to this Agreement (in this regard, the Parties acknowledge that PREPA shall be responsible for any hot section exchanges).</p> <p>PREPA's Addendum No. 6 just contradicted this via:</p> <p>"The following information shall be clearly itemized in the proposals:....</p> <p>Major maintenance schedule and price..."</p> <p>Question: Do we need to include major maintenance schedule and price included in our proposal or are you asking for this for information only? With such a short time frame of Monday submission, we may not be able to effectively make this substantial of a change to our proposal.</p> <p>Thank you.</p> <p>--- Original Message Sent 09/21/18 10:58 AM (EDT). ---</p> <p>Good morning</p> <p>Included Addendum No. 6</p>	GE (General Electric)	orlando.soto@ge.com	GE (General Electric)
09/21/18 10:58 AM (EDT)	ADDENDUM NO. 6	<p>Good morning</p> <p>Included Addendum No. 6</p>	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	GE (General Electric), RG ENGINEERING, INC., ARG Precision, Pratt & Whitney, Siemens Energy, Inc, PRATT & WITTNEY
09/20/18 07:09 PM (EDT)	ADDENDUM NO. 5	<p>Good evening</p> <p>Included Addendum No. 5</p>	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	GE (General Electric), RG ENGINEERING, INC., ARG Precision, Pratt & Whitney, Siemens Energy, Inc, PRATT & WITTNEY

09/24/18 11:28 AM (EDT)	Access to RGE	<p>Good morning</p> <p>As requested, we provided access to the event of reference to Jose Robles, representative of RG Engineering, Inc. Regarding the tabs that shall be completed, as stated in Section 1.3 Proposal Submission:</p> <p>"The bidder shall submit its Proposal through the Submittals tab and comply with the information required in the Technical and Pricing Tab of the RFP 82695 event on the PowerAdvocate platform."</p> <p>Proponents are encouraged to allow themselves enough time to upload their proposals and to confirm that the files are available for PREPA's review.</p> <p>For technical assistance with the sourcing platform application, please contact PowerAdvocate technical support: (857) 453-5800 or via email at: support@poweradvocate.com</p> <p>Sincerely,</p> <p>Natalia Martinez Lugo</p> <p>--- Original Message Sent 09/24/18 09:15 AM (EDT). ---</p> <p>We need RGE to have access to Power Advocate, since they will be presenting our offer, on a join effort. Please, grant RGE access to this tender ASAP. Also, we want to make sure we upload our offer correctly. The commercial data tap is still unavailable.</p>	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	GE (General Electric)
09/24/18 09:15 AM (EDT)	Access to RGE	<p>We need RGE to have access to Power Advocate, since they will be presenting our offer, on a join effort. Please, grant RGE access to this tender ASAP. Also, we want to make sure we upload our offer correctly. The commercial data tap is still unavailable.</p>	GE (General Electric)	orlando.soto@ge.com	GE (General Electric)
09/21/18 08:31 PM (EDT)	ADDENDUM NO. 7	<p>Good afternoon</p> <p>Included Attachment No. 7</p>	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	GE (General Electric), RG ENGINEERING, INC., ARG Precision, Pratt & Whitney, Siemens Energy, Inc, PRATT & WITTNEY

09/21/18 11:13 AM (EDT)	Answers to GE Questions	<p>Thanks Natalia,</p> <p>Attached are the GE questions submitted on Sept. 12th as well as one supporting document.</p> <p>We have sent other documents to you via the Upload Documents tab to date (attendee list for site visit, etc.)</p> <p>--- Original Message Sent 09/21/18 10:52 AM (EDT). --- Hello Orlando,</p> <p>Thank you for your prompt reply.</p> <p>As this is a sealed request for proposal process, PREPA personnel cannot access the tab where participants upload their proposals until the closing date of the RFP. For this reason, the instruction to all proponents was to submit their questions via the Messaging Tab where all official communications with PREPA for this RFP can take place.</p> <p>At this point in the RFP process, PREPA cannot guarantee that your questions will or can be answered. Nonetheless, please submit your questions as an attachment via the Messaging Tab no later than 12pm today so that our Buyer Team may review the documents.</p> <p>Sincerely,</p> <p>--- Original Message Sent 09/21/18 10:15 AM (EDT). --- GE submitted our questions in the Uploaded Documents tab of event 82695 in the Power Advocate tool in the evening of Sept 12, 2018. Given the number of questions, the size of the file, and the character limits in Messaging tab, we assumed that the Uploaded Documents tab was the best place to submit our questions file.</p> <p>Does this mean since we included the questions in the Upload Documents tab of Power Advocate that PREPA will not answer the questions? As you can see, we uploaded the questions to PREPA within the timeline outlined in the RFP. It is critical for us to receive the answers to these questions in order for us to submit a proposal.</p> <p>--- Original Message Sent 09/21/18 09:09 AM (EDT). --- Good morning</p>	GE (General Electric)	orlando.soto@ge.com	GE (General Electric)
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09/21/18 10:52 AM (EDT)	Answers to GE Questions	<p>Hello Orlando,</p> <p>Thank you for your prompt reply.</p> <p>As this is a sealed request for proposal process, PREPA personnel cannot access the tab where participants upload their proposals until the closing date of the RFP. For this reason, the instruction to all proponents was to submit their questions via the Messaging Tab where all official communications with PREPA for this RFP can take place.</p> <p>At this point in the RFP process, PREPA cannot guarantee that your questions will or can be answered. Nonetheless, please submit your questions as an attachment via the Messaging Tab no later than 12pm today so that our Buyer Team may review the documents.</p> <p>Sincerely,</p> <p>--- Original Message Sent 09/21/18 10:15 AM (EDT). ---</p> <p>GE submitted our questions in the Uploaded Documents tab of event 82695 in the Power Advocate tool in the evening of Sept 12, 2018. Given the number of questions, the size of the file, and the character limits in Messaging tab, we assumed that the Uploaded Documents tab was the best place to submit our questions file.</p> <p>Does this mean since we included the questions in the Upload Documents tab of Power Advocate that PREPA will not answer the questions? As you can see, we uploaded the questions to PREPA within the timeline outlined in the RFP. It is critical for us to receive the answers to these questions in order for us to submit a proposal.</p> <p>--- Original Message Sent 09/21/18 09:09 AM (EDT). ---</p> <p>Good morning</p> <p>We reviewed the Messaging Tab in PowerAdvocate for this event and we haven't received questions from GE. As established in the RFP in Section 1.3 Proposal Submission, questions or comments shall be submitted via PowerAdvocate through the Messaging Tab of event 82695. Please inform the dated and time you understand the questions were submitted.</p> <p>--- Original Message Sent 09/20/18 06:39 PM (EDT). ---</p> <p>Dear Ms. Martinez,</p> <p>We confirm receipt of Addendums 2, 3, and 4. However, we do not see answers to the questions submitted by GE within</p>	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	GE (General Electric)
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09/24/18 11:39 PM (EDT)	(No Subject)	<p>Hola Natalia;</p> <p>Incluyo evidencia de envio de la oferta, gracias por la oportunidad.</p> <p>Buenas noches!</p> <p>Aida</p>	RG ENGINEERING, INC.	jose.robles@rgepr.com	RG ENGINEERING, INC.
09/25/18 10:02 AM (EDT)	GE Mobile Generation Proposal GE	<p>Good Morning</p> <p>We confirmed</p> <p>--- Original Message Sent 09/24/18 11:27 PM (EDT). ---</p> <p>Proposal for GE's mobile generation units submitted by our representative, RG Engineering, Inc.</p> <p>Please confirm receipt.</p> <p>Thanks, Orlando</p>	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	GE (General Electric)
09/24/18 11:27 PM (EDT)	GE Mobile Generation Proposal GE	<p>Proposal for GE's mobile generation units submitted by our representative, RG Engineering, Inc.</p> <p>Please confirm receipt.</p> <p>Thanks, Orlando</p>	GE (General Electric)	orlando.soto@ge.com	GE (General Electric)
09/24/18 11:30 AM (EDT)	Access to RGE	<p>Thanks for granting this request.</p> <p>--- Original Message Sent 09/24/18 11:28 AM (EDT). ---</p> <p>Good morning</p> <p>As requested, we provided access to the event of reference to Jose Robles, representative of RG Engineering, Inc. Regarding the tabs that shall be completed, as stated in Section 1.3 Proposal Submission:</p> <p>"The bidder shall submit its Proposal through the Submittals tab and comply with the information required in the Technical and Pricing Tab of the RFP 82695 event on the PowerAvocate platform."</p> <p>Proponents are encouraged to allow themselves enough time to upload their proposals and to confirm that the files are available for PREPA's review.</p> <p>For technical assistance with the sourcing platform application, please contact PowerAdvocate technical support: (857) 453-5800 or via email at: support@poweradvocate.com</p> <p>Sincerely,</p> <p>Natalia Martinez Lugo</p> <p>--- Original Message Sent 09/24/18 09:15 AM (EDT). ---</p> <p>We need RGE to have access to Power Advocate, since they will be presenting our offer, on a join effort. Please, grant RGE access to this tender ASAP. Also, we want to make sure we upload our offer correctly. The commercial data tap is still unavailable.</p>	GE (General Electric)	orlando.soto@ge.com	GE (General Electric)

10/01/18 06:54 PM (EDT)	Request for Information RFP 82695 Mobile Generation Units	<p>Good evening</p> <p>The information below is required for the event of reference.</p> <p>¿ Financial statements for the past 2 years of Bostonia Partners</p> <p>PREPA requires the following information to be provided on or before October 2, 2018 at 1:00pm (AST).</p>	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	ARG Precision
10/01/18 12:42 PM (EDT)	Clarification 82695	<p>Buenas tardes;</p> <p>En respuesta a su solicitud se incluye documento con informacion requerida.</p> <p>Saludos,</p> <p>Aida Rodriguez</p>	RG ENGINEERING, INC.	jose.robles@rgepr.com	RG ENGINEERING, INC.
10/01/18 12:34 PM (EDT)	Answers to Request for Information	Please see attached document with answers to Request for Information and separate letter.	ARG Precision	admin@argprecisionpr.com	ARG Precision
09/27/18 07:22 PM (EDT)	REQUEST FOR CLARIFICATION	<p>Good evening</p> <p>Included Request for Clarification</p>	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	ARG Precision
09/27/18 07:20 PM (EDT)	REQUEST FOR CLARIFICATION	<p>Good evening</p> <p>Included Request for Clarification</p>	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	RG ENGINEERING, INC.
10/01/18 11:45 AM (EDT)	REQUEST FOR CLARIFICATION	<p>Ms. Lugo,</p> <p>Please see attached Siemens responses to PREPA's request for clarification. We look forward to discussing this opportunity with PREPA at your earliest convenience.</p> <p>Best regards,</p> <p>Alexander Johnson</p> <p>--- Original Message Sent 09/27/18 07:18 PM (EDT). ---</p> <p>Good evening</p> <p>Included Request for Clarification.</p>	Siemens Energy, Inc	alexander.johnson@siemens.com	Siemens Energy, Inc
09/27/18 07:18 PM (EDT)	REQUEST FOR CLARIFICATION	<p>Good evening</p> <p>Included Request for Clarification.</p>	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	Siemens Energy, Inc
09/25/18 09:13 AM (EDT)	Submitted Technical and Pricing Data	<p>Please note that according to PowerAdvocate, the technical and pricing data is stating that it was not submitted. The provided documents were saved and submitted around 24 September 9:30PM ET. Please see attached excel export with timestamp.</p> <p>Thanks,</p> <p>Siemens Proposal Team</p>	Siemens Energy, Inc	alexander.johnson@siemens.com	Siemens Energy, Inc
09/25/18 08:46 AM (EDT)	There is no previously submitted data found.	<p>Mrs. Martinez</p> <p>Please clarify this note found today 9/25/18 on the Technical Data and Pricing Data Tabs. "There is no previously submitted data found".</p> <p>Yesterday this data was entered and save & submit buttons pressed.</p> <p>Regards</p>	ARG Precision	admin@argprecisionpr.com	ARG Precision

Date and Time Sent	Subject	Message	Sending Company	Message Sender Address	Supplier Company Message Recipient(s)
10/02/18 02:48 PM (EDT)	REQUEST FOR INFORMATION- RFP 82695 MOBILE GENERATION UNITS	<p>Good afternoon</p> <p>In Section 4, Proponent Requirements, indent 4.2 Required Qualifications of Proponent states the following:</p> <p>"Proponents to this RFP shall provide information in their proposals that demonstrates the following qualifications:</p> <p>¿ Proponent has adequate financial resources to perform the contract, or the ability to obtain them; financial statements for the past 2 years will be required, or equivalent financial records must be included in the proposal."</p> <p>As part of the evaluation criteria, it is necessary that the proponent provides the required information which demonstrates their financial ability for this project.</p>	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	ARG Precision
10/02/18 10:08 AM (EDT)	Request for Information RFP 82695 Mobile Generation Units	<p>Siemens AG's financial statements for the past 2 years are attached for PREPA's review. Siemens' financial statements for fiscal year 2018 will be available in the end of November. Therefore, we are also including our FY18 first half results and Q3 reports. Please let us know if you would like additional information.</p> <p>--- Original Message Sent 10/01/18 06:56 PM (EDT). ---</p> <p>Good evening</p> <p>The information below is required for the event of reference:</p> <p>¿ Financial statements for the past 2 years</p> <p>PREPA requires the following information to be provided on or before October 2, 2018 at 1:00pm (AST).</p>	Siemens Energy, Inc	alexander.johnson@siemens.com	Siemens Energy, Inc
10/01/18 06:56 PM (EDT)	Request for Information RFP 82695 Mobile Generation Units	<p>Good evening</p> <p>The information below is required for the event of reference:</p> <p>¿ Financial statements for the past 2 years</p> <p>PREPA requires the following information to be provided on or before October 2, 2018 at 1:00pm (AST).</p>	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	Siemens Energy, Inc
10/02/18 10:41 AM (EDT)	Request for Information RFP 82695 Mobile Generation Units	<p>Mrs. Natalia Martinez</p> <p>Please see attached letter in response of the Request For information.</p> <p>--- Original Message Sent 10/01/18 06:54 PM (EDT). ---</p> <p>Good evening</p> <p>The information below is required for the event of reference.</p> <p>¿ Financial statements for the past 2 years of Bostonia Partners</p> <p>PREPA requires the following information to be provided on or before October 2, 2018 at 1:00pm (AST).</p>	ARG Precision	admin@argprecisionpr.com	ARG Precision

Date and Time Sent	Subject	Message	Sending Company	Message Sender Address	Supplier Company Message Recipient(s)					
10/04/18 02:59 PM (EDT)	REQUEST OF REDACTED COPY	<p>Good afternoon</p> <p>In Section 1.3 Proposal Submission of the RFP states that all Proponents are expected to submit a redacted copy of their response in the PREPA's Supplier Registry Office as required in Section 14.0 Confidentiality of Responses and Proprietary Information to the following address:</p> <p>Postal Address: Puerto Rico Electric Power Authority Supplier Registry Office PO Box 3670151 San Juan, Puerto Rico 00936 or</p> <p>Physical Address: Supplier Registry Office 1110 Ponce de Leon Avenue Third Floor Office 301 NEOS Building, Santurce, PR</p> <p>Please provide the redacted copy of your proposal on or before October 9, 2018 at 1:00pm (AST).</p>	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	Siemens Energy, Inc					
10/04/18 03:36 PM (EDT)	REQUEST OF REDACTED COPY	<p>Confirmo recibo del mensaje. Estaremos entregando la copia de la propuesta mañana en el correo de la AEE en Santurce.</p> <p>--- Original Message Sent 10/04/18 02:57 PM (EDT). ---</p> <p>Good afternoon</p> <p>In Section 1.3 Proposal Submission of the RFP states that all Proponents are expected to submit a redacted copy of their response in the PREPA's Supplier Registry Office as required in Section 14.0 Confidentiality of Responses and Proprietary Information to the following address:</p> <p>Postal Address: Puerto Rico Electric Power Authority Supplier Registry Office PO Box 3670151 San Juan, Puerto Rico 00936 or</p> <p>Physical Address: Supplier Registry Office 1110 Ponce de Leon Avenue Third Floor Office 301 NEOS Building, Santurce, PR</p> <p>Please provide the redacted copy of your proposal on or before October 9, 2018 at 1:00pm (AST).</p>	RG ENGINEERING, INC.	jose.robles@rgepr.com	RG ENGINEERING, INC.					
10/04/18 02:57 PM (EDT)	REQUEST OF REDACTED COPY	<p>Good afternoon</p> <p>In Section 1.3 Proposal Submission of the RFP states that all Proponents are expected to submit a redacted copy of their response in the PREPA's Supplier Registry Office as required in Section 14.0 Confidentiality of Responses and Proprietary Information to the following address:</p> <p>Postal Address: Puerto Rico Electric Power Authority Supplier Registry Office PO Box 3670151 San Juan, Puerto Rico 00936 or</p> <p>Physical Address: Supplier Registry Office 1110 Ponce de Leon Avenue Third Floor Office 301 NEOS Building, Santurce, PR</p> <p>Please provide the redacted copy of your proposal on or before October 9, 2018 at 1:00pm (AST).</p>	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	RG ENGINEERING, INC.					

10/03/18 01:45 PM (EDT)	REQUEST FOR CLARIFICATION	<p>We are providing the public financial statements of Mitsubishi Heavy Industry Group parent company of PWPS which is also committed (see letter) if proposal approval is conditioned to financing. ARG, PWPS and Bostonia Partners are available to PREPA for the negotiation of the terms and conditions that results in an agreement for financing the project.</p> <p>As for the financial statements from Bostonia Partners LLC, please refer to the letter sent October 2, 2018 that explains that they will disclose the financial statements of the selected capital partner at the appropriate time and that most of these capital partners are large, rated publicly traded companies.</p> <p>--- Original Message Sent 10/03/18 10:42 AM (EDT). --- Good evening</p> <p>In order to be able to finalize the evaluation process it is necessary to provide the following information on or before October 3, 2018 at 2:00 pm(AST)</p> <p>- Bostonia Partners, financial statements for the past 2 years or equivalent financial records.</p>	ARG Precision	admin@argprecisionpr.com	ARG Precision					
10/03/18 10:42 AM (EDT)	REQUEST FOR CLARIFICATION	<p>Good evening</p> <p>In order to be able to finalize the evaluation process it is necessary to provide the following information on or before October 3, 2018 at 2:00 pm(AST)</p> <p>- Bostonia Partners, financial statements for the past 2 years or equivalent financial records.</p>	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	ARG Precision					

09/21/18 10:15 AM (EDT)	Answers to GE Questions	<p>GE submitted our questions in the Uploaded Documents tab of event 82695 in the Power Advocate tool in the evening of Sept 12, 2018. Given the number of questions, the size of the file, and the character limits in Messaging tab, we assumed that the Uploaded Documents tab was the best place to submit our questions file.</p> <p>Does this mean since we included the questions in the Upload Documents tab of Power Advocate that PREPA will not answer the questions? As you can see, we uploaded the questions to PREPA within the timeline outlined in the RFP. It is critical for us to receive the answers to these questions in order for us to submit a proposal.</p> <p>--- Original Message Sent 09/21/18 09:09 AM (EDT). --- Good morning</p> <p>We reviewed the Messaging Tab in PowerAdvocate for this event and we haven't received questions from GE. As established in the RFP in Section 1.3 Proposal Submission, questions or comments shall be submitted via PowerAdvocate through the Messaging Tab of event 82695. Please inform the dated and time you understand the questions were submitted.</p> <p>--- Original Message Sent 09/20/18 06:39 PM (EDT). --- Dear Ms. Martinez,</p> <p>We confirm receipt of Addendums 2, 3, and 4. However, we do not see answers to the questions submitted by GE within PREPA's allotted deadline. When will the GE questions be answered? Will PREPA provide a proposal submission time extension as the answers have a large impact on our costs and our proposal which take time to develop?</p> <p>Thank you, GE</p>	GE (General Electric)	orlando.soto@ge.com	GE (General Electric)
09/21/18 09:09 AM (EDT)	Answers to GE Questions	<p>Good morning</p> <p>We reviewed the Messaging Tab in PowerAdvocate for this event and we haven't received questions from GE. As established in the RFP in Section 1.3 Proposal Submission, questions or comments shall be submitted via PowerAdvocate through the Messaging Tab of event 82695. Please inform the dated and time you understand the questions were submitted.</p> <p>--- Original Message Sent 09/20/18 06:39 PM (EDT). --- Dear Ms. Martinez,</p> <p>We confirm receipt of Addendums 2, 3, and 4. However, we do not see answers to the questions submitted by GE within PREPA's allotted deadline. When will the GE questions be answered? Will PREPA provide a proposal submission time extension as the answers have a large impact on our costs and our proposal which take time to develop?</p> <p>Thank you, GE</p>	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	GE (General Electric)
09/20/18 06:39 PM (EDT)	Answers to GE Questions	<p>Dear Ms. Martinez,</p> <p>We confirm receipt of Addendums 2, 3, and 4. However, we do not see answers to the questions submitted by GE within PREPA's allotted deadline. When will the GE questions be answered? Will PREPA provide a proposal submission time extension as the answers have a large impact on our costs and our proposal which take time to develop?</p> <p>Thank you, GE</p>	GE (General Electric)	orlando.soto@ge.com	GE (General Electric)

09/19/18 12:41 PM (EDT)	ADDENDUM NO. 3	Good afternoon Included Addendum No. 2	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	GE (General Electric), RG ENGINEERING, INC., ARG Precision, Pratt & Whitney, Siemens Energy, Inc, PRATT & WITTNEY
09/20/18 06:32 PM (EDT)	Additional clarifications, manufacturer's exclusive representatives	<p>Dear Ms. Martinez,</p> <p>Please find attached GE's sworn statement demonstrating RG Engineering, Inc. status as GE's exclusive representative for this RFP. Please grant RG Engineering, Inc. access to this Power Advocate to submit our bid.</p> <p>Please let me know if this authorized rep letter is acceptable to PREPA.</p> <p>Thank you, GE</p> <p>--- Original Message Sent 09/14/18 04:32 PM (EDT). ---</p> <p>***Additional clarification to all participants***</p> <p>Turbine manufacturer's that, for confidentiality reasons, cannot provide a copy of their contract/agreement with an authorized and exclusive representative, must provide for PREPA's evaluation, a sworn statement with their proposal that includes the following information:</p> <ol style="list-style-type: none"> 1. Name of the company authorized as the manufacturer's exclusive representative 2. The name of the company granting the exclusive representation agreement. Is it the parent company (manufacturer) or a subsidiary of the manufacturer? 3. Specific scope of business relationship. 4. Date that the current representation agreement was entered into. 5. Term (validity) of the agreement. Please indicate end date. 6. The percent of the work that the representative will perform. 7. The following statement, "If awarded a contract resulting from this RFP, upon title transfer to PREPA, all equipment warranties and guarantees shall be vested upon PREPA directly from the original equipment manufacturer (OEM)." <p>Thank you for your interest in this RFP process.</p>	GE (General Electric)	orlando.soto@ge.com	GE (General Electric)
09/14/18 04:32 PM (EDT)	Additional clarifications, manufacturer's exclusive representatives	<p>***Additional clarification to all participants***</p> <p>Turbine manufacturer's that, for confidentiality reasons, cannot provide a copy of their contract/agreement with an authorized and exclusive representative, must provide for PREPA's evaluation, a sworn statement with their proposal that includes the following information:</p> <ol style="list-style-type: none"> 1. Name of the company authorized as the manufacturer's exclusive representative 2. The name of the company granting the exclusive representation agreement. Is it the parent company (manufacturer) or a subsidiary of the manufacturer? 3. Specific scope of business relationship. 4. Date that the current representation agreement was entered into. 5. Term (validity) of the agreement. Please indicate end date. 6. The percent of the work that the representative will perform. 7. The following statement, "If awarded a contract resulting from this RFP, upon title transfer to PREPA, all equipment warranties and guarantees shall be vested upon PREPA directly from the original equipment manufacturer (OEM)." <p>Thank you for your interest in this RFP process.</p>	Puerto Rico Electric Power Authority (PREPA)	D-ZAMBRANA-DSAD@AEEPR.COM	GE (General Electric), RG ENGINEERING, INC., ARG Precision, Pratt & Whitney, Siemens Energy, Inc, PRATT & WITTNEY

09/20/18 02:59 PM (EDT)	Sworn Statatement	Sear Ms. Zambrano, Please find attached the Sworn Statement as requested. Thanks very much Eleazar Rodriguez	Pratt & Whitney	eleazar.rodriguez@pwps.com	Pratt & Whitney
09/19/18 06:25 PM (EDT)	ADDENDUM NO 4	Good afternoon Included Addendum No. 4	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	GE (General Electric), RG ENGINEERING, INC., ARG Precision, Pratt & Whitney, Siemens Energy, Inc, PRATT & WITTNEY
09/19/18 04:19 PM (EDT)	ADDENDUM NO. 3	Good afternoon We will be sending a Addendum No. 4 with the rest of the answers. --- Original Message Sent 09/19/18 03:15 PM (EDT). --- Dear Natalia, Thanks very much for the information sent. After a thoroughly review of your attachments, we noticed that most of ours questions where not included on the list of answers. Can we expect another set of answers from PREPA? The questions submitted are of highly important for us in order to submit a competitive and well structure proposal which will benefit both parties. Thanks again for your support. Regards Eleazar Rodriguez --- Original Message Sent 09/19/18 12:41 PM (EDT). --- Good afternoon Included Addendum No. 2	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	Pratt & Whitney
09/19/18 03:15 PM (EDT)	ADDENDUM NO. 3	Dear Natalia, Thanks very much for the information sent. After a thoroughly review of your attachments, we noticed that most of ours questions where not included on the list of answers. Can we expect another set of answers from PREPA? The questions submitted are of highly important for us in order to submit a competitive and well structure proposal which will benefit both parties. Thanks again for your support. Regards Eleazar Rodriguez --- Original Message Sent 09/19/18 12:41 PM (EDT). --- Good afternoon Included Addendum No. 2	Pratt & Whitney	eleazar.rodriguez@pwps.com	Pratt & Whitney

09/14/18 03:42 PM (EDT)	ADDENDUM NO 2	Good afternoon Included Addendum No. 2	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	GE (General Electric), RG ENGINEERING, INC., ARG Precision, Pratt & Whitney, Siemens Energy, Inc, PRATT & WITTNEY
09/14/18 10:36 AM (EDT)	Confirmation of receiving ARG Letter of Representation	Sra. Zambrana, Please see attached ARG Representation Letter Regards Eleazar Rodriguez --- Original Message Sent 09/14/18 10:26 AM (EDT). --- Hello Mr. Rodríguez, Thank you for sending this confirmation request. I have not yet received the letter of representation you mention having sent yesterday. Could you please resend the letter for our evaluation? Thank you once again, Delis Zambrana --- Original Message Sent 09/13/18 04:42 PM (EDT). --- Dear Natalia, Could you please confirm that the Letter of representation sent this morning to Mrs. Delis Zambrana was received and its comply with your previous requirements. Thanks very much for your support Best regards Eleazar Rodriguez	Pratt & Whitney	eleazar.rodriguez@pwps.com	Pratt & Whitney
09/14/18 10:26 AM (EDT)	Confirmation of receiving ARG Letter of Representation	Hello Mr. Rodríguez, Thank you for sending this confirmation request. I have not yet received the letter of representation you mention having sent yesterday. Could you please resend the letter for our evaluation? Thank you once again, Delis Zambrana --- Original Message Sent 09/13/18 04:42 PM (EDT). --- Dear Natalia, Could you please confirm that the Letter of representation sent this morning to Mrs. Delis Zambrana was received and its comply with your previous requirements. Thanks very much for your support Best regards Eleazar Rodriguez	Puerto Rico Electric Power Authority (PREPA)	D-ZAMBRANA-DSAD@AEEPR.COM	Pratt & Whitney

09/13/18 04:42 PM (EDT)	Confirmation of receiving ARG Letter of Representation	<p>Dear Natalia,</p> <p>Could you please confirm that the Letter of representation sent this morning to Mrs. Delis Zambrana was received and its comply with your previous requirements. Thanks very much for your support Best regards</p> <p>Eleazar Rodriguez</p>	Pratt & Whitney	eleazar.rodriguez@pwps.com	Pratt & Whitney
09/12/18 05:55 PM (EDT)	Questions No.4	<p>Dear Natalia,</p> <p>Please find enclosed another question: Q: Are these 60 calendar days considering the permitting process? Please note that air emission permits (construction and operation) could take around 4 to 6 months Could you please explain?</p> <p>Thanks very much Best Regards Eleazar Rodriguez</p>	Pratt & Whitney	eleazar.rodriguez@pwps.com	Pratt & Whitney
09/12/18 08:02 PM (EDT)	Request for Information/Clarification	<p>Please see attache document or Request for Information/Clarification.</p> <p>Regards,</p>	Siemens Energy, Inc	alexander.johnson@siemens.com	Siemens Energy, Inc
09/12/18 03:22 PM (EDT)	Question No. 3	<p>Dear Natalia</p> <p>Another question: If no water injection is used and working on liquid fuel is it possible that the net power range of the units will be reduced to at least 22 MW? Thanks very much regards Eleazar Rodriguez</p>	Pratt & Whitney	eleazar.rodriguez@pwps.com	Pratt & Whitney
09/12/18 02:51 PM (EDT)	Questionary N0.2	<p>Dear Natalia,</p> <p>Please find attached the second set of Questions Thanks very much, highly appreciate your support Regards</p> <p>Eleazar Rodriguez</p>	Pratt & Whitney	eleazar.rodriguez@pwps.com	Pratt & Whitney
09/12/18 12:33 PM (EDT)	Missing General and Special Conditions Information	<p>We can't find the General and Special Conditions from the download documents package. The contract makes reference to it. Please share, for review.</p> <p>Thanks,</p>	GE (General Electric)	orlando.soto@ge.com	GE (General Electric)

09/12/18 11:23 AM (EDT)	Questions N0.1	<p>Dear Natalia,</p> <p>Please find attached the following questions:</p> <p>1-)In order to prepare a better and competitive proposal, we are respectfully requesting and submitting to your consideration a time extension of a proximately two weeks on the proposal submission deadline.</p> <p>2-) Page 6- RFP: Is PREPA considering a DLN option? Do PREPA's sites have water necessary for equipment operation?</p> <p>3-) What is the emission requirements?</p> <p>4-) Can you please let us know the minimum power required /engine?</p> <p>5-) On the Operation and Maintenance contract form, all exhibits are missing. Could you please forward them to us?</p> <p>thanks very much Regards Eleazar Rodriguez</p>	Pratt & Whitney	eleazar.rodriguez@pwps.com	Pratt & Whitney
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09/13/18 09:21 AM (EDT)	Clarification regarding Authorized/Exclusive Representatives	<p>Dear Mrs. Zambrana,</p> <p>On March 02, 2018, a NON-EMPLOYEE SALES REPRESENTATIVE AGREEMENT was signed between ARG PRECISION CORPORATION and PW Power System LLC. This agreement appoints ARG Precision Corporation to promote sales of the products and services of PW Power Systems, Inc. ("PWPS"), a group company of Mitsubishi Hitachi Power Systems, Ltd., within the Sales Territory of Puerto Rico and ARG Precision Corporation accepted and signed this appointment.</p> <p>This contract is fully confidential between the two parties and can not be display third parties without our Legal department written consent.</p> <p>I will submit a new Letter signed by our VP of Sales ratifying that ARG Precision Corporation is fully authorized by PWPS to represents us as our Exclusive representative in country for this RFP 82695 process in order to comply with your request, I highly appreciate your support Best regards Eleazar Rodríguez</p> <p>--- Original Message Sent 09/12/18 11:25 AM (EDT). --- ***Notice to all participants of this RFP***</p> <p>The clarification sent on 09/06/18 references 'authorized representatives'. For purposes of this RFP, an authorized representative is a company that has a contractual agreement with the manufacturer for exclusive representation. For PREPA to grant access to this event 82695 to an exclusive/authorized representative of the manufacturer, the manufacturer must request that access be granted to the representative and provide evidence in the form of a copy of the contract that establishes the business relationship. Any confidential provisions of the contract shall be omitted from the copy provided to PREPA. PREPA will evaluate information regarding the date of the contract, its terms, the parties mentioned in the contract, among other commercial aspects.</p> <p>Please note that page 11 of the RFP document, under Section 3.1 Scoring Criteria, states the following requisite "Proponents shall demonstrate experience and success in fabricating, installing, testing and commissioning mobile gas turbines".</p> <p>Regards, Delis Zambrana</p>	Pratt & Whitney	eleazar.rodriguez@pwps.com	Pratt & Whitney
09/12/18 11:25 AM (EDT)	Clarification regarding Authorized/Exclusive Representatives	<p>***Notice to all participants of this RFP***</p> <p>The clarification sent on 09/06/18 references 'authorized representatives'. For purposes of this RFP, an authorized representative is a company that has a contractual agreement with the manufacturer for exclusive representation. For PREPA to grant access to this event 82695 to an exclusive/authorized representative of the manufacturer, the manufacturer must request that access be granted to the representative and provide evidence in the form of a copy of the contract that establishes the business relationship. Any confidential provisions of the contract shall be omitted from the copy provided to PREPA. PREPA will evaluate information regarding the date of the contract, its terms, the parties mentioned in the contract, among other commercial aspects.</p> <p>Please note that page 11 of the RFP document, under Section 3.1 Scoring Criteria, states the following requisite "Proponents shall demonstrate experience and success in fabricating, installing, testing and commissioning mobile gas turbines".</p> <p>Regards, Delis Zambrana</p>	Puerto Rico Electric Power Authority (PREPA)	D-ZAMBRANA-DSAD@AEEPR.COM	GE (General Electric), RG ENGINEERING, INC., ARG Precision, Pratt & Whitney, Siemens Energy, Inc, PRATT & WITTNEY

09/11/18 07:58 AM (EDT)	ARG Precision Corp	<p>Dear Madam, Please find attached a Letter appointing ARG Precision Corp as PWPS sole representative for this RFP 82695</p> <p>Best regards</p> <p>Eleazar Rodríguez</p>	Pratt & Whitney	eleazar.rodriguez@pwps.com	Pratt & Whitney
09/10/18 09:17 PM (EDT)	Attendees list for Tomorrow's visit - team GE	<p>Attendees for tomorrow:</p> <ol style="list-style-type: none"> 1. Robin McAdams 2. Vinay Srinath 3. José Robles 4. Ramon Ortiz 	GE (General Electric)	orlando.soto@ge.com	GE (General Electric)
09/10/18 09:35 AM (EDT)	Siemens Site Visit Team 11 September 2018	<p>Please see list of the Siemens team participants that will be attending the site visit on Tuesday. We look forward to meeting the your team.</p> <p>Dennis Everett, Siemens Jack Wanna, Siemens Brad Krupa, Siemens</p> <p>Alejandro Bello, RPS James Rusty Bonnett, RPS</p> <p>Terry Keller, DCO Energy David Heap, Jingoli Power Rafael Perez, Cobra</p> <p>Regards,</p>	Siemens Energy, Inc	alexander.johnson@siemens.com	Siemens Energy, Inc
09/10/18 07:34 AM (EDT)	Planned Operation Provide with Estimated Annual /Hours/Starts Clarification Request	<p>Please provide the following:</p> <ol style="list-style-type: none"> 1. Please provide planned operation (peaking, base load) for the 3 gas turbines. 2. Please provide operating hours per year per unit and estimated number of starts per year per unit. 3. Please provide the estimated hours of operation in natural gas. 4. Please provide the estimated hours of operation in diesel fuel per year. <p>Thank You</p>	Siemens Energy, Inc	alexander.johnson@siemens.com	Siemens Energy, Inc
09/10/18 06:33 AM (EDT)	Site Visit	<p>Please note that the following personnel will be attending the site visit tomorrow on behalf of PWPS:</p> <ol style="list-style-type: none"> 1. Gustavo Manzanero.....ARG 2. Julio Nater..... ARG 3. Armando J Rodriguez.....ARG <p>ARG will be representing PWPS in Puerto Rico for this opportunity. A formal letter will be issued shortly. regards Eleazar F. Rodriguez</p>	Pratt & Whitney	eleazar.rodriguez@pwps.com	Pratt & Whitney

09/07/18 01:31 PM (EDT)	Missing Attachments	<p>The following attachments were missing, please provide:</p> <p>Natural Gas (NG) specification Distillate #2 fuel (diesel) specification Water quality Air quality Drawings and Areal photos</p> <p>Thanks</p>	Siemens Energy, Inc	alexander.johnson@siemens.com	Siemens Energy, Inc
09/07/18 11:35 AM (EDT)	Clarification	<p>Can a turbine manufacturer have an EPC submit a bid with the turbine manufacturer as the major equipment supplier?</p> <p>--- Original Message Sent 09/06/18 08:01 PM (EDT). --- Good evening</p> <p>PREPA is sending the following clarification for this event:</p> <p>Only turbine manufacturers or their authorized representatives can participate on this RFP event.</p>	Siemens Energy, Inc	alexander.johnson@siemens.com	Siemens Energy, Inc
09/07/18 11:31 AM (EDT)	Clarification	<p>Please discard. Found it.</p> <p>Regards, --- Original Message Sent 09/07/18 11:14 AM (EDT). --- Dear Natalia,</p> <p>The Special Conditions file is missing.</p> <p>--- Original Message Sent 09/06/18 08:01 PM (EDT). --- Good evening</p> <p>PREPA is sending the following clarification for this event:</p> <p>Only turbine manufacturers or their authorized representatives can participate on this RFP event.</p>	GE (General Electric)	orlando.soto@ge.com	GE (General Electric)
09/07/18 11:14 AM (EDT)	Clarification	<p>Dear Natalia,</p> <p>The Special Conditions file is missing.</p> <p>--- Original Message Sent 09/06/18 08:01 PM (EDT). --- Good evening</p> <p>PREPA is sending the following clarification for this event:</p> <p>Only turbine manufacturers or their authorized representatives can participate on this RFP event.</p>	GE (General Electric)	orlando.soto@ge.com	GE (General Electric)
09/06/18 08:01 PM (EDT)	Clarification	<p>Good evening</p> <p>PREPA is sending the following clarification for this event:</p> <p>Only turbine manufacturers or their authorized representatives can participate on this RFP event.</p>	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	GE (General Electric), RG ENGINEERING, INC., ARG Precision, Pratt & Whitney, Siemens Energy, Inc, PRATT & WITTNEY

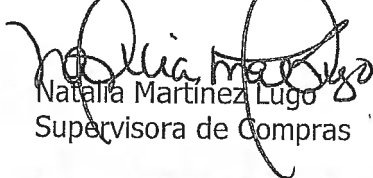
09/06/18 04:38 PM (EDT)	ADDENDUM NO 1 - RFP 82695	Good afternoon Is included for your information Addendum No. 1	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	GE (General Electric), RG ENGINEERING, INC., ARG Precision, Pratt & Whitney, Siemens Energy, Inc, PRATT & WITTNEY
09/06/18 04:16 PM (EDT)	Procurement of Equipment and Services/Power Purchase Agreement Clarification Request	Good afternoon The RFP is for procurement of equipment, installation, and O&M. A formal clarification will be officially sent later. --- Original Message Sent 09/06/18 11:11 AM (EDT). --- There is conflicting information in the RFF documentation as to whether this will be a simple procurement of equipment and services by PREPA or a Power Purchase Agreement (as stated in the Article 8 Payment Terms & Methods of Payments in the RFP). Please clarify.	Puerto Rico Electric Power Authority (PREPA)	natalia.martinez@prepa.com	Siemens Energy, Inc
09/06/18 11:11 AM (EDT)	Procurement of Equipment and Services/Power	There is conflicting information in the RFF documentation as to whether this will be a simple procurement of equipment and services by PREPA or a Power Purchase Agreement (as stated in the Article 8 Payment Terms & Methods of Payments in the RFP). Please clarify.	Siemens Energy, Inc	alexander.johnson@siemens.com	Siemens Energy, Inc



GOBIERNO DE PUERTO RICO
Autoridad de Energía Eléctrica de Puerto Rico

6 de noviembre de 2018

Edgardo Diaz Reyes, Jefe
División de Suministros


Natalia Martínez Lugo
Supervisora de Compras

RECOMENDACIÓN ADJUDICACIÓN RFP 82695 ADQUISICIÓN DE TRES UNIDADES GENERATRICES PORTÁTILES

La Autoridad de Energía Eléctrica realizó durante el mes de septiembre una solicitud de propuestas (RFP) para la adquisición e instalación de tres turbinas portátiles. El evento cerró el 24 de septiembre de 2018 y se recibieron propuestas de tres proponentes: ARG Precision/Pratt & Whitney (ARG/P&W), RG Engineering/GE (RG/GE) y Siemens Energy (Siemens).

El 2 de octubre de 2018, los miembros del Comité asignaron un valor a cada renglón de cada propuesta e identificaron a ARG/P&W como el proponente con la mejor puntuación de los criterios de evaluación.

El 30 de octubre de 2018, el Comité se reunió nuevamente, en mayoría de cuatro miembros, para discutir un asunto relacionado a la propuesta de ARG/P&W y un asunto que no fue discutido en las reuniones previas referente al pago de arbitrios municipales. ARG/P&W indica en su propuesta que su precio no incluye el pago de arbitrios municipales, pero sí el pago de patentes.

Luego del ajuste de costos y la reevaluación de las puntuaciones, el Comité, en mayoría ratifica la selección de ARG/P&W como la mejor propuesta. Incluimos Apéndice I con los precios, criterios y resultados ajustados. Basado en estos precios ajustados, el Comité evaluó nuevamente los criterios de evaluación de precio para los proponentes y el resultado no varió la evaluación original, a pesar del aumento en el precio evaluado para la propuesta de ARG/P&W.

Por lo antes expuesto el Comité interesa poder incluir como Apéndice I determinación ratificando la selección de ARG/P&W.

De necesitar información adicional, se puede comunicar a la extensión 1394.

RECOMENDACIÓN ADJUDICACIÓN RFP ADQUISICIÓN DE
TRES UNIDADES GENERATRICES PORTÁTILES
RFP 82695

APÉNDICE 1

La Autoridad de Energía Eléctrica realizó durante el mes de septiembre una solicitud de propuestas (RFP) para la adquisición e instalación de tres turbinas portátiles. El evento RFP 82695 *Mobile Generation* cerró el 24 de septiembre de 2018 y se recibieron propuestas de tres proponentes: ARG Precision/Pratt & Whitney (ARG/P&W), RG Engineering/GE (RG/GE) y Siemens Energy (Siemens).

El Comité Evaluador compuesto por cinco (5) miembros nombrados por el CEO/Director Ejecutivo, evaluó las propuestas enviadas en base a los requisitos de cumplimiento requeridos en los documentos del RFP y los métodos preestablecidos para asignar puntuaciones. Se analizaron las propuestas y se otorgaron dichas puntuaciones en renglones como precio, capacidad económica, experiencia, método de trabajo y cumplimiento con regulaciones estatales y federales. Para el renglón de precio por unidad e instalación las propuestas fueron las siguientes:

	ARG	RG	Siemens
Costo Instalación por Unidad	\$ 1,303,458.00	\$ 3,114,450.00	\$ 1,784,981.00
Costo por Unidad	\$ 17,995,708.00	\$ 16,952,250.00	\$ 29,881,685.00
Total	\$ 19,299,166.00	\$ 20,066,700.00	\$ 31,666,666.00

El 2 de octubre de 2018, los miembros del Comité asignaron un valor a cada renglón de cada propuesta e identificaron a ARG/P&W como el proponente con la mejor puntuación de los criterios de evaluación. Los resultados de las puntuaciones fueron los siguientes:

PROPOSANTS	ARG PRECISION, CORP.	RG ENGINEERING, INC.	SIEMENS
Price Proposal (60 points)			
Price Proposal Score Converted:	60	48	48
Experience and Capacity (15 points)			
Experience and Capacity Score:	12	13.2	13.8
Approach and Methodology (15 points)			
Approach and Methodology Score:	12	12	12
Compliance with all Applicable Federal, and Puerto Rico Regulations (10 points)			
Compliance with all Applicable Federal, and Puerto Rico Regulations:	8	10	6
Total	92	83.2	79.8

El 30 de octubre de 2018, el Comité se reunió nuevamente, en mayoría de cuatro miembros, para discutir un asunto relacionado a la propuesta de ARG/P&W y un asunto que no fue discutido en las reuniones previas referente al pago de arbitrios municipales. ARG/P&W indica en su propuesta que su precio no incluye el pago de arbitrios

municipales, pero sí el pago de patentes. Es responsabilidad de cada contratista que realiza proyectos para la Autoridad que pague los arbitrios de construcción en cada municipio donde realiza los trabajos. En este caso los contratistas deberán ser responsables por el pago de instalación de dos turbinas en el Municipio de Toa Baja (Central Palo Seco) y una en el Municipio de Yabucoa (Estación Hidro Gas Yabucoa). El porcentaje de arbitrios para cada uno de estos municipios es de 5% del costo de construcción.

El Comité determinó que, ya que el contratista que realce el trabajo deberá ser responsable de pagar los arbitrios, este costo debería ser incluido en el precio propuesto. También determinó que el costo de 5% debería ser aplicado al precio de construcción e instalación de cada unidad y no así al precio de las turbinas y sus equipos auxiliares, ya que las mismas son unidades portátiles que pudieran ser instalados en diferentes instalaciones de la Autoridad. Basado en esta determinación, el Comité calculó nuevamente el precio de la propuesta de ARG/P&W, pero aumentando un 5% el costo de instalación por unidad de \$1,303,458.00. Los precios ajustados fueron los siguientes.

	ARG	RG	Siemens
Costo Instalación por Unidad	\$ 1,368,630.90	\$ 3,114,450.00	\$ 1,784,981.00
Costo por Unidad	\$ 17,995,708.00	\$ 16,952,250.00	\$ 29,881,685.00
Total	\$ 19,364,338.90	\$ 20,066,700.00	\$ 31,666,666.00

Basado en estos precios ajustados, el Comité evaluó nuevamente los criterios de evaluación de precio para los proponentes y el resultado no varió de la evaluación original, a pesar del aumento en el precio evaluado para la propuesta de ARG/P&W. Luego del ajuste de costos y la reevaluación de las puntuaciones, el Comité, en mayoría ratifica la selección de ARG/P&W como la mejor propuesta.

Se incluyen los resultados de la evaluación como anejos.

RFP 82695 MOBILE GENERATION UNITS
SCORING TABLE

PROPOSERS	ARG PRECISION, CORP.	RG ENGINEERING, INC.	SIEMENS
Price Proposal (60 points)			
Units Pricing:			
Shall submit a price per unit (including all its BOP equipment and accessories) (20 points)			
Shall provide an installation price per unit, with all necessary equipment, materials, labor, testing, and commissioning (10 points)	30	28.91	10.94
Shall provide price for Operation and Maintenance as required in this document (10 points)	10	2.343	6.9
Levelized Cost of Energy (LCOE) \$/kW-hr (20 points)	15.849	16.470	20.000
Price Proposal Score:	55.849	47.72	37.84
Price Proposal Score 1 to 5 Scale:	5	4.00	4.00
Price Proposal Score Converted:	60	48	48
Experience and Capacity (15 points)			
Offeror's Experience:			
Shall submit an abbreviated history of firm	3	4	5
Shall provide evidence of applicable experience and performance in at least two related scope projects within the past five years, and references.	4	4	4
Shall provide qualifications and resumes of experienced key personnel (project manager, engineers, supervisors, etc.) of the proponent with at least ten (10) years of experience in similar projects.	5	5	5
Shall provide qualifications and resumes of experienced key personnel (project manager, engineers, supervisors, etc.) of the installation subcontractor (if any) with at least five (5) years of experience in similar projects.	5	5	5
Schedule of Project Delivery:			
Shall provide a proposed project schedule based on continuous work with key and critical tasks.	3	4	4
Experience and Capacity Score:	12	13.2	13.8
Approach and Methodology (15 points)			
Work Plan:			
Shall submit a description of the proposed working plan, including working methods, logistics, list of resources (manpower and equipment), and subcontractors, if any.	4	4	4
Approach and Methodology Score:	12	12	12
Compliance with all Applicable Federal, and Puerto Rico Regulations (10 points)			
Proponents who demonstrate compliance with all applicable federal and Puerto Rico regulations. Adherence to strong ethical and integrity practices and unequivocal commitment to solid administrative practices is essential for PREPA. Understanding of federal and local requirements is essential and will be highly considered.	4	5	3
Compliance with all Applicable Federal, and Puerto Rico Regulations:	8	10	6
Total	92	83.2	79.8

The criteria shall be graded using a score of 1 to 5:

- 1 = Poor or Inadequate – does not meet RFP expectations
- 2 = Adequate – criteria are met, below the standards set by the RFP
- 3 = Average – meets the minimum standards set by the RFP
- 4 = Good – meets and exceeds the minimum standards set by the RFP
- 5 = Excellent – meets and substantially exceeds the minimum standards set by the RFP and presents the best proposal for the criteria.

RFP 82695 MOBILE GENERATION UNITS
PRICE COMPARISON

Costo de energía (20 puntos)				
	ARG (Pratt & Whitney)	RG Engineering (GE)	Siemens	
Net Present Value (Base case 25% C.F.)	\$ (159,171,977.15)	\$ (190,064,052.57)	\$ (219,674,008.21)	
Net Present Value 500 hrs (5.7% C.F.)	\$ (84,188,245.30)	\$ (104,038,111.54)	\$ (112,995,213.88)	
Equivalent Uniform Annualized Cost (Base case 25% C.F.)	\$ (16,212,017.46)	\$ (19,358,443.57)	\$ (22,374,282.96)	
Equivalent Uniform Annualized Cost 500 hrs (5.7% C.F.)	\$ (8,574,758.74)	\$ (10,596,511.46)	\$ (11,508,812.12)	
Levelized Cost of energy (Base case 25% C.F.) \$/kWh	\$ 0.2801	\$ 0.2637	\$ 0.2386	
Levelized Cost of energy 500 hrs (5.7% C.F.) \$/kWh	\$ 0.6499	\$ 0.6332	\$ 0.5382	
Puntuación	15.849	16.470	20.000	

Costo por Unidad e Instalación (30 puntos)			
ARG	\$ 19,364,338.90	30	-
RG	\$ 20,066,700.00	28.91	-
Siemens	\$ 31,666,666.00	10.94	-

	ARG	RG	Siemens
Costo instalación por Unidad	\$ 1,368,630.90	\$ 3,114,450.00	\$ 1,784,981.00
Costo por Unidad	\$ 17,995,708.00	\$ 16,952,250.00	\$ 29,881,685.00
Total	\$ 19,364,338.90	\$ 20,066,700.00	\$ 31,666,666.00

Conversión a Valor del Renglón Costo Unidad e Instalación

$$Puntuación de Proponente = \left[1 - \frac{(Proponente - Proponente_{Mas_Bajo})}{Proponente_{Mas_Bajo}} \right] * Valor de Renglón$$

$$Puntuación de Proponente_{ARG} = \left[1 - \frac{(19,364,339 - 19,364,339)}{19,364,339} \right] * 30 = 30$$

$$Puntuación de Proponente_{RG} = \left[1 - \frac{(20,066,700 - 19,364,339)}{19,364,339} \right] * 30 = 28.91$$

$$Puntuación de Proponente_{SIEMENS} = \left[1 - \frac{(31,666,666 - 19,364,339)}{19,364,339} \right] * 30 = 10.94$$

O&M por Unidad (10 puntos)			
ARG	\$ 20,218,012.69	10	-
RG	\$ 35,698,110.00	2.343	-
Siemens	\$ 26,483,776.00	6.901	-

	ARG	Siemens	RG
Mantenimiento primeros 2 años	\$ 8,890,000.00	\$ 14,948,273.00	\$ 19,065,550.00
Piezas Reemplazo por Unidad	\$ 2,028,012.69		
Mantenimiento 3er año	\$ 4,580,000.00	\$ 6,116,789.00	\$ 8,102,240.00
Mantenimiento 4to año	\$ 4,720,000.00	\$ 5,418,714.00	\$ 8,530,320.00
Total	\$ 20,218,012.69	\$ 26,483,776.00	\$ 35,698,110.00

Conversión a Valor del Renglón Costo O&M

$$Puntuación de Proponente_{ARG} = \left[1 - \frac{(20,218,012.69 - 20,218,012.69)}{20,218,012.69} \right] * 10 = 10$$

$$Puntuación de Proponente_{RG} = \left[1 - \frac{(35,698,110 - 20,218,012.69)}{20,218,012.69} \right] * 10 = 2.343$$

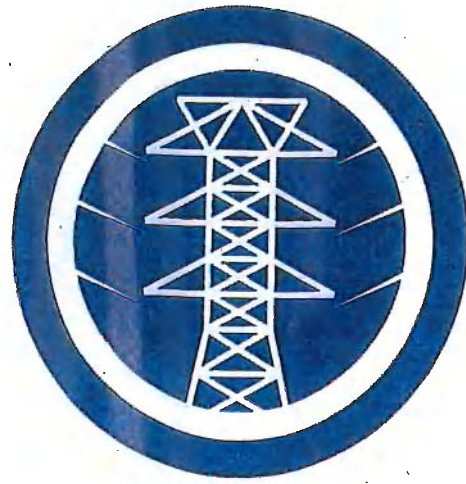
$$Puntuación de Proponente_{SIEMENS} = \left[1 - \frac{(26,483,776 - 20,218,012.69)}{20,218,012.69} \right] * 10 = 6.901$$

Conversión a Valor del Renglón Costo de Energía

$$Puntuación\ de\ Proponente_{ARC} = \left[1 - \frac{(0.6499 - 0.5382)}{0.5382} \right] * 20 = 15.849$$

$$Puntuación\ de\ Proponente_{RG} = \left[1 - \frac{(0.6332 - 0.5382)}{0.5382} \right] * 20 = 16.470$$

$$Puntuación\ de\ Proponente_{SIEMENS} = \left[1 - \frac{(0.5382 - 0.5382)}{0.5382} \right] * 20 = 20.000$$



Autoridad de Energía Eléctrica

INFORME DE EVALUACIÓN Y SELECCIÓN

Solicitud de Propuestas RFP 82695 Mobile Generation Units

INTRODUCCIÓN

El 20 de septiembre de 2017, el huracán María impactó directamente a Puerto Rico, siendo el mayor desastre natural sobre la isla en los últimos cien años. El huracán ocasionó daños en sobre un 80 por ciento de la infraestructura de transmisión y distribución de la Autoridad, dejando a toda la isla sin servicio eléctrico. El área sureste fue la primera zona geográfica que recibió el impacto del huracán y el balance de daños por reparar aún es sustancial, lo que provoca fallos frecuentes y diversos en la red. La Autoridad posee solo una unidad generadora *Frame V* disponible en el este, en la Estación de Hidro Gas de Yabucoa, que no puede suplir la demanda total de la zona, ni servir de resguardo para alimentar el lazo de transmisión del este en caso de falla del sistema eléctrico. La limitación de generación en la zona norte y este del país y la reparación de líneas de transmisión que proveen redundancia al sistema eléctrico requieren atención inmediata.

La Agencia Federal para Manejo de Emergencias (FEMA, por sus iniciales en inglés) autorizó una misión al Cuerpo de Ingenieros del Ejército de los Estados Unidos (USACE, por sus iniciales en inglés), para proveer generación en el norte y este mediante turbinas móviles. Se instalaron temporariamente dos generadores de 28 MW cada uno en la Central Palo Seco y uno de la misma capacidad en el Centro de Transmisión y Estación Hidro Gas, Yabucoa. Los términos de renta del generador de USACE instalado en Yabucoa ya concluyó y el equipo fue removido. El contrato de los dos generadores instalados en Palo Seco está próximo a concluir y la Autoridad necesita la adquisición inmediata de unidades que puedan sustituir los tres equipos rentados pues la red eléctrica aún está vulnerable y en reparación, lo que aumenta el riesgo de apagones. Comprar nuevas unidades generatrices se convertirá en una economía, pues el costo de renta de las tres unidades provistas por USACE es de unos \$4.5 millones mensuales y se estimó el costo total de compra en casi \$58 millones por tres unidades de similar capacidad, incluyendo equipos auxiliares e infraestructura.

EL 29 de agosto de 2018, la Junta de Gobierno de la Autoridad de Energía Eléctrica de Puerto Rico mediante la Resolución 4640, autorizó la adquisición de las tres unidades generatrices portátiles mediante el proceso competitivo de RFP, en conformidad con la Sección 15(2) (f) de la Ley Núm. 83.

PROCESO

El 5 de septiembre de 2018, la Autoridad de Energía Eléctrica inició el proceso de Solicitud de Propuestas 82695 para la adquisición de tres unidades generatrices. Se invitaron a través de la plataforma electrónica PowerAdvocate© a las compañías Siemens Energy (Siemens), Pratt & Whitney (PW) y General Electric (GE), tres fabricantes de turbinas en configuración móvil, que cuentan con los rangos de generación requeridos.

Se autorizó a los fabricantes a participar a través de un representante autorizado. Para efecto de este evento, un representante autorizado es una empresa que tiene un contrato con el fabricante para la representación exclusiva de sus equipos. Por tanto, se requirió que de interesar conceder acceso a este evento a un representante exclusivo/autorizado, el fabricante deberá solicitar acceso a este y proporcionar copia del contrato o declaración jurada donde establece la relación contractual de negocios como evidencia. A tales efectos, recibimos declaraciones juradas por parte de GE, identificando su acuerdo comercial con RG Engineering, Inc. (RG) y PW indicando su acuerdo comercial con ARG Precision, Inc. (ARG)


El 24 de septiembre de 2018, cerró dicho evento y se recibieron propuestas por parte de las siguientes compañías:

1. Siemens Energy, Inc.
2. RG Engineering, Inc.
3. ARG Precision, Corp.

Estas tres compañías fueron evaluadas de conformidad con los criterios establecidos en el RFP, los cuales se mencionan más adelante.

EVALUACIÓN Y ANÁLISIS DE LAS PROPUESTAS

Para la evaluación de las propuestas, Principal Oficial Ejecutivo, José F. Ortiz Vázquez, designó mediante memorando con fecha del 24 de septiembre de 2018, un comité evaluador (Comité) compuesto por los siguientes funcionarios:



Miguel A. Del Valle Morales
División de Ingeniería y Servicios Técnicos
Directorado de Generación

José M. Cruz Pérez
División de Ingeniería y Servicios Técnicos
Directorado de Generación

Félix A. Hernández Caban
Directorado de Asuntos Jurídicos

José A. Roque Torres
Directorado de Finanzas

Natalia Martínez Lugo
División de Suministros

Además, el Comité contó con la asesoría de María V. Mercado Rondón de la División de Protección Ambiental y Matt Lee de Filsinger Energy Partners. Las propuestas fueron

Price Proposal (60 points)

PREPA will evaluate the proposals based on the lowest all-inclusive price submitted by the proponent. Part of the evaluation may include analysis of the cost assuming some level of unit dispatch. This evaluation may or may not include incorporating the cost and performance parameters in a system dispatch model to determine PREPA's least cost alternative.

Units Pricing:

- a. Shall submit a price per unit (including all its BOP equipment and accessories)
- b. Shall provide an installation price per unit, with all necessary equipment, materials, labor, testing, and commissioning
- c. Shall provide price for Operation and Maintenance as required in this document

Experience and Capacity (15 points)

Proponents shall demonstrate experience and success in fabricating, installing, testing, and commissioning mobile gas turbines. Proponents that demonstrate all or a portion of the proposed units can be operable in less than specified in Section 2.1 Schedule of Deliveries and Installation will be favored compared to those who need more time, or whose responses are vague.

Offeror's Experience:

- a. Shall submit an abbreviated history of firm
- b. Shall provide evidence of applicable experience and performance in at least two related scope projects within the past five years, and references.
- c. Shall provide qualifications and resumes of experienced key personnel (project manager, engineers, supervisors, etc.) of the proponent with at least ten (10) years of experience in similar projects.
- d. Shall provide qualifications and resumes of experienced key personnel (project manager, engineers, supervisors, etc.) of the installation subcontractor (if any) with at least five (5) years of experience in similar projects.

Schedule of Project Delivery:

- a. Shall provide a proposed project schedule based on continuous work with key and critical tasks.

Approach and Methodology (15 points)

Proponents that outline a clear and straightforward approach to providing fast track generation projects will score higher, than those that do not. Proponents shall identify key goals and objectives, and methods for providing the facilities described herein or exceeding these goals. Proponents shall explain how they will be organized to effectively deploy

support for this project clearly identify key personnel responsible for implementing the project.

Work Plan:

- a. Shall submit a description of the proposed working plan, including working methods, logistics, list of resources (manpower and equipment), and subcontractors, if any.*

Compliance with all Applicable Federal, and Puerto Rico Regulations (10 points)

Proponents who demonstrate compliance with all applicable federal and Puerto Rico regulations. Adherence to strong ethical and integrity practices and unequivocal commitment to solid administrative practices is essential for PREPA. Understanding of federal and local requirements is essential and will be highly considered.

EVALUACIÓN TÉCNICA DE LAS PROPUESTAS

El proceso de evaluación de propuestas efectuado por el Comité, en conformidad con los criterios establecidos en la Sección 3 Selection Criteria de este RFP, requirió el análisis individual de cada propuesta para determinar el cumplimiento de los proponentes. Además, se evaluaron los requisitos para el alcance de trabajo, según indicado en la Sección 2 Scope of Services y cualificaciones de los proponentes requeridos en la Sección 4 Proponent Requirements, Inciso 4.2 Required Qualifications of Proponent. Del análisis realizado se incluye como anejos lo siguiente:

- **Performance Proposal** – En esta tabla se resume las capacidades de los generadores incluidos en cada propuesta. Esto incluye la capacidad de generación en mega watts (MW) utilizando diésel y gas natural, tiempo requerido para alcanzar esta capacidad y heat rate de cada modelo propuesto.
- **Price Proposal** – Esta tabla indica los precios de cada proponente por generador, su instalación y costos de operación y mantenimiento por los primeros cuatro años.
- **Comparison Model** – Se utilizó una hoja de cálculos en Microsoft Excel para comparar las propuestas en termino de *Net Present Value (NPV)*, *Equivalent Uniform Annualized Cost (EUAC)* y *Levelized Cost of Energy (LCOE)*. La evaluación se realizó con una proyección de 20 años, utilizando diésel como combustible y con factores de capacidad de 25% y 5.7% (500 horas). Para detalles adicionales ver documento *Comparison Model Explanation*.
- **Price Comparison** – Para facilitar la comparación de precios, se tabularon los resultados del Comparison Model y se convirtieron los resultados a la escala de 1 al 5, según requerido en la Sección 3.1 Scoring Criteria. Utilizamos los resultados del factor de capacidad de 5.7% porque el permiso requerido es el de fuente generatriz

de emergencia emitido por la Oficina de Gerencia de Permisos (OGPe) y la Junta de Calidad Ambiental (JCA).

- **Scoring Table** – Esta tabla muestra las puntuaciones provista por el Comité a los proponentes con los resultados obtenidos.

Evaluación de Proponentes:

1. **RG Engineering, Inc.:** La propuesta presentada por esta compañía cumple con todos los criterios establecidos en el RFP. Proveyeron una Declaración Jurada que establece su relación contractual con GE y los autoriza a participar del evento como representante exclusivo de dicha empresa. La evaluación de su capacidad financiera la realizó el representante del Directorado de Finanzas, quien determinó que la compañía tiene la capacidad para cumplir con el financiamiento de este proyecto de acuerdo con la información provista de Camino Group, su compañía matriz. La evaluación de los representantes de Generación indicó que esta propuesta cumple con el alcance técnico requerido en este RFP.

El precio ofrecido por el proponente por el suplido e instalación de las tres unidades fue de \$60,200,100.

2. **ARG Precision, Inc.:** Esta compañía presentó una propuesta que cumple con todos los criterios incluidos en el RFP. PW suministró una declaración jurada en la que certifica su relación contractual con ARG y le autoriza a participar del evento como representante exclusivo de sus equipos. El representante del Directorado de Finanzas evaluó su capacidad financiera a base de los estados financieros de Mitsubishi Heavy Industries Group, compañía matriz de PW, provistos por ARG. Además, esta compañía suministró un compromiso de financiamiento por parte Bostonia Partners con el cual financiaría dicho proyecto en conjunto con PW. En esta se demuestra que la compañía tiene la capacidad para cumplir con el financiamiento del proyecto. La propuesta cumple con los requisitos técnicos del RFP, basado en la evaluación de los representantes del Directorado de Generación.

El precio ofrecido por el proponente por el suplido e instalación de las tres unidades fue de \$57,897,492.

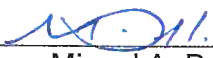
3. **Siemens Energy.:** Esta propuesta cumple con todos los criterios establecidos en el RFP. Se evaluó la capacidad financiera de Siemens a base de la información provista y se determinó que posee el capital para cumplir con el financiamiento del proyecto, según evaluado por el representante del Directorado de Finanzas. La propuesta también cumple técnicamente con lo requerido en los documentos del RFP, conforme a la evaluación realizada por los representantes del Directorado de Generación.

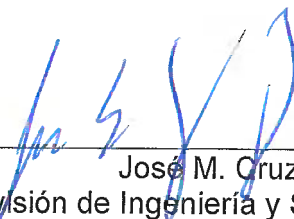
El precio ofrecido por el proponente por el suplido e instalación de las tres unidades fue de \$94,999,998.


DETERMINACIÓN

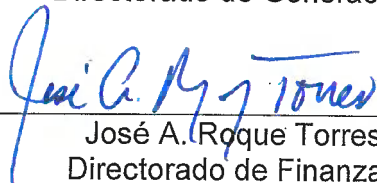
Luego de evaluar las propuestas a base de los criterios de evaluación, según la Sección 3 Scoring Criteria, la propuesta de ARG obtuvo la mejor puntuación. Además, esta propuesta cumple con las especificaciones, términos y condiciones establecidos en el RFP 82695. El Comité, en reunión el 2 de octubre de 2018, seleccionó por unanimidad a la compañía ARG Precision, Corp.

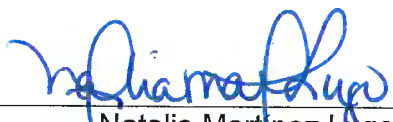
Comité Evaluador:


Miguel A. Del Valle Morales
División de Ingeniería y Servicios Técnicos
Directorado de Generación


José M. Cruz Pérez
División de Ingeniería y Servicios Técnicos
Directorado de Generación


Félix A. Hernández Caban
Directorado de Asuntos Jurídicos


José A. Roque Torres
Directorado de Finanzas


Natalia Martínez Lugo
División de Suministros

RFP 82695 MOBILE GENERATION UNITS
PERFORMANCE PROPOSAL

QUESTIONS		Siemens Energy, Inc Submitted: 09/24/2018	ARG Precision Submitted: 09/24/2018	RG ENGINEERING, INC. Submitted: 09/24/2018
Guaranteed net unit output (diesel) @ specified conditions without water or steam injection	MW	36.6	22,583	28,643
Guaranteed net unit output (NG) @ specified conditions without water or steam injection	MW	38.2	23,842	30,021
Unit minimum load for continuous operation	MW	0.0	1	Unlimited
Time from shutdown to guaranteed net unit output	minutes	6.3	10	8
Unit Heat Rate (diesel – LHV) Assume 18,646 BTU/Lb energy content @ guaranteed net unit output	BTU/KW-hr	9038.6	9,759	9,393
Unit Heat Rate (NG – LHV) Assume 21,414 BTU/Lb energy content @ guaranteed net unit output	BTU/KW-hr	8894.9	9,574	9,246
(1) If energy price varies with output, provide data related to this variation. Provide output vs. Energy Price curves if applicable.				



RFP 82695 MOBILE GENERATION

PRICE PROPOSAL

ITEM		ARG Precision Submitted: 09/24/2018	RG ENGINEERING, INC. Submitted: 09/24/2018	Siemens Energy, Inc Submitted: 09/24/2018
Price per unit (including all its BOP equipment and accessories)	unit	\$ 17,995,708.00	\$ 16,952,250.00	\$ 29,881,685.00
Installation price per unit, with all necessary equipment, materials, labor, testing, and commissioning	unit	\$ 1,303,458.00	\$ 3,114,450.00	\$ 1,784,981.00
Price for Operation and Maintenance as required in this document	2 years	\$ 12,946,025.38	\$ 19,065,550.00	\$ 14,948,273.00
	first addtl year	\$ 4,580,000.00	\$ 8,102,240.00	\$ 6,116,789.00
	second addtl year	\$ 4,720,000.00	\$ 8,530,320.00	\$ 5,418,714.00

COMPARISON MODEL EXPLANATION

Introduction

PREPA received proposals to provide mobile generators and associated equipment from General Electric, Siemens, and Pratt & Whitney. The proposals were in response to a Request for Proposals (RFP), where PREPA requested pricing for equipment, installation, operations and maintenance (O&M), and major maintenance. As part of the evaluation process, PREPA Staff developed a high-level Alternatives Comparison Model (Model) to evaluate the relative economic merits of the proposals. The Model was developed in Microsoft Excel and was designed to allow for a side-by-side comparison of the options in terms of Net Present Value (NPV), Equivalent Uniform Annualized Cost (EUAC), and Levelized Cost of Energy (LCOE).

The Model is a "high-level" annual cost-based model which means that certain assumptions have been simplified to provide a summary level comparison between proposals. For instance, the model assumes full year availability, the model is pre-tax, and availability is not adjusted to account for major maintenance events.

Model Structure and Functionality

The Model was structured to provide the user with the ability to vary key inputs and evaluate the relative impacts to project results. The single, Microsoft Excel-based model has three "worksheets" that provide for fuel and O&M calculations, capital costs, and financial results. Key model inputs are summarized on a worksheet entitled "Inputs&Results." This worksheet also presents Project results in terms of NPV, EUAC, and LCOE. The following is a brief overview of the Model's worksheets:

- **Inputs&Results** – Key model inputs are consolidated on the Inputs&Results worksheet to provide a single location to support analysis of various scenarios. The worksheet allows the user to vary the term, net capacity, capacity factor, availability, starts, heat rate, fuel assumptions, escalation assumptions, major maintenance costs and timing, and annual 3rd-party O&M costs. The Model is also provisioned to allow for sensitivity cases related to changes in capital costs, O&M costs, and major maintenance. The Inputs&Results worksheet provides a summary of calculated results.
- **O&M** – The O&M worksheet calculates the annual operating hours based on the assumed capacity factor, as adjusted by availability. Annual operating hours are then used to calculate the net annual generation (MWhrs) and annual fuel consumption and costs. The proposals' included 3rd-party O&M costs, which are presented on the O&M worksheet on an annual basis. The timing of major maintenance events are based on operating hours, and the O&M worksheet calculates the year in which major maintenance events occur. The O&M worksheet is provisioned to include escalation.
- **Evaluation** – The Evaluation worksheet includes capital and installation costs (year one), and summarizes all operations and maintenance related costs as calculated on the O&M worksheet. The sum of these costs are used to calculate the NPV and EUAC of each proposal. Please note that the EUAC represents a levelized cost that would result in the calculated NPV. The Evaluation worksheet also allows the user to estimate the LCOE of

each proposal. The LCOE calculation is a manual calculation that requires the user to use Microsoft Excel's "goal seek" function to solve for an energy value that results in a NPV of zero. The results calculated on the Evaluation worksheet are linked to the Inputs&Results worksheet.

Changeable inputs to the model are generally coded in blue text. Calculated values are represented in black text. Global changes to capital costs, O&M, major maintenance can be performed on the Inputs&Results worksheet under the section entitled "Sensitivities."

Evaluation Results

PREPA's evaluation team established base-case assumptions and a sensitivity case to evaluate the proposals. The following table provides a summary of base-case assumptions.

Parameter	Base-Case	Comments
Evaluation Term	20 Years	
First Year	2019	Simplified to assume full year
Capacity Factor	25%	
Availability	95%	
Fuel Supply	No. 2 Fuel Oil	
Fuel Heat Content	139,000 Btu/gal	
Fuel Costs	\$94.75/bbl	Based on PREPA's August 2018 stored fuel value
Escalation	2.5%	3 rd -Party O&M costs were not escalated
Discount Rate	8%	
Heat rate curve	100% load	Assumes emergency conditions favor full-load operation.

The PREPA evaluation team also performed a sensitivity case for each proposal, where the Capacity Factor was reduced to 5.7%. This capacity factor is approximately 500 operating hours per year, and is reflective of a standard air permit's operating limit for emergency generators.

PREPA staff evaluated each proposal in terms of NPV, EUAC, and LCOE. Each Proponent's heat rate, net capacity, O&M, and major maintenance costs were incorporated into the model and evaluated against the base-case and sensitivity case assumptions discussed above. The following table provides a summary of these results.

Proponent	Net Capacity	NPV	EUAC	LCOE
Pratt & Whitney	22.6MW			
• 25% Capacity Factor		(\$159,111,631.87)	(\$16,205,871.16)	\$0.2800
• 5.7% Capacity Factor		(\$84,127,900.03)	(\$8,568,612.44)	\$0.6494
General Electric	28.6 MW			
• 25% Capacity Factor		(\$190,064,052.57)	(\$19,358,443.57)	\$0.2637
• 5.7% Capacity Factor		(\$104,038,111.54)	(\$10,596,511.46)	\$0.6332
Siemens	36.6 MW			
• 25% Capacity Factor		(\$219,674,008.21)	(\$22,374,282.96)	\$0.2386
• 5.7% Capacity Factor		(\$112,995,213.88)	(\$11,508,812.12)	\$0.5382

Please note that the NPV and EUAC results are cost-based, and are therefore negative values. As reflected in the table above, a higher capacity factor results in lower NPV and EUAC due to increased fuel and major maintenance costs. This contrasts with a reduction in LCOE for higher capacity factors, as the costs are "spread-out" over increased annual generation.

Overall, the analysis favors the Pratt & Whitney proposal, as it has the highest NPV and EUAC. These results are largely correlated to lower capital and installation costs of the Pratt & Whitney proposal. These units are also the smallest units. On an LCOE basis, the Siemen's units have the highest net capacity and lowest heat rate, with results in the lowest LCOE.

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Mobile Generation Comparison Model									
Bid Proposal by Pratt & Whitney									
KEY RESULTS AND ASSUMPTIONS									
Strictly proprietary & confidential									
4-Oct-18									
Project Summary			Project Results			Sensitivities			
Proponent/Bidder	Pratt & Whitney		2019		PREPA Discount Rate		8.0%		
Project Initiation			20		PREPA WACC		8.0%		
Evaluation Term (<=50)	Years		22.583		Net Present Value		NPV		
Net Capacity	MW				Equivalent Uniform Annualized Cost		EUAC		
					LCOE \$/kWhr (2018\$)		See Eval Tab		
Project Assumptions			(Changeable inputs shown in blue font)						
Operating Assumptions			Capital Cost						
Project Initiation	Year		2019		Initiate & Develop		Units/Notes		
Refurbish Alternative					Purchase Price		Cost		
Capacity Factor	%		5.7%		Spare Parts		\$		
Availability	%		95.0%		Commissioning/Startup		\$		
Annual Starts			50		Subtotal-CapEx		\$		
Heatrate	Btu/kWhr		9,756		Major Maintenance		Cost		
Fuel Heat Content	Btu/gal		139,000		Maintenance Intervals		Gas Gen Hot Section Inspection		
Fuel Costs	\$/bbl		\$94.75				Major Shop Inspection		
Financial Parameters									
Escalation									
First Year	2018		Major Overhaul (Class C)						
Operations & Maintenance	2.5%		Maintenance Category 4						
Major Maintenance	2.5%		Maintenance Category 5						
Fuel	2.5%								
Revenue	2.5%								
Weighted Avg Cost of Capital	8.0%								
</									



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Mobile Generation Comparison Model									
Bid Proposal by Pratt & Whitney									
KEY RESULTS AND ASSUMPTIONS									
Strictly proprietary & confidential									
4-Oct-18									
Project Summary									
Proposed/Bidder	Pratt & Whitney	2019	20	NPV	8.0%	8.0%	Dev + EPC-related Capital Costs	0%	
Project Initiation				EUAC			Operations & Maintenance	0%	
Evaluation Term (<=50)				See Eval Tab			Major Maintenance Costs	0%	
Net Capacity									
Project Assumptions									
(Changeable inputs shown in blue font)									
Operating Assumptions									
Project Initiation	Year	2019							
Refurbish Alternative	%	25.0%							
Capacity Factor	%	95.0%							
Availability									
Annual Starts	ButkWhr	9,759							
Heatrate	Btu/gal	139,000							
Fuel Heat Content	\$/bbl	\$94.75							
Fuel Costs									
Financial Parameters									
Escalation									
First Year		2018							
Operations & Maintenance		2.5%							
Major Maintenance		2.5%							
Fuel		2.5%							
Revenue		2.5%							
Weighted Avg Cost of Capital		8.0%							
Project Results									
PREPA Discount Rate									
PREPA WACC									
Net Present Value									
Equivalent Uniform Annualized Cost									
LCOE \$/kWhr (2018)									
Sensitivities									
Dev + EPC-related Capital Costs									
Operations & Maintenance									
Major Maintenance Costs									
Operations & Maintenance Costs									
O&M Expense									
Year 1									
Year 2									
Year 3									
Year 4									
Year 5+									
Escalation?									
Rebuild									
Year 1									
Year 2									
Year 3									
Year 4									
Year 5+									
Major Maintenance									
Event Intervals									
Gas Gen Hot Section Inspection									
Major Shop Inspection									
Major Overhaul (Class C)									
Maintenance Category 4									
Maintenance Category 5									
Starts									
Hours									

Drop List

Yes

No

[illegible]

Mobile Generation Comparison Model										KEY RESULTS AND ASSUMPTIONS										Strictly proprietary & confidential 4-Oct-18														
Bid Proposal by General Electric																																		
Project Summary										Project Results										Sensitivities														
Proponent/Bidder					General Electric					2019					PREPA Discount Rate					8.0%					Dev + EPC-related Capital Costs									
Project Initiation					20					2018					PREPA WACC					8.0%					Operations & Maintenance									
Evaluation Term (<=50)					Years					20					Net Present Value					NPV					Major Maintenance Costs									
Net Capacity					MW					26,643					Equivalent Uniform Annualized Cost					EUAC														
															LCOE \$/kWhr (2018\$)					See Eval Tab					\$0.6332									
Project Assumptions										(Changeable inputs shown in blue font)																								
Operating Assumptions										Capital Cost										Operations & Maintenance Costs														
Project Initiation					Year					2019					Initiate & Develop					O&M Expense					Escalation?									
Refurbish Alternative					%					5.7%					Purchase Price					Cost					Rebuild									
Capacity Factor					%					95.0%					Spare Parts					\$0					\$0,532,775									
Availability					%					95.0%					Commissioning/Startup					\$3,114,450					\$9,532,775									
Annual Starts					Btu/kWhr					50					Subtotal-CapEx					\$20,066,700					\$5,102,240									
Heatrate					Btu/gal					9,393					Major Maintenance										\$8,930,330									
Fuel Heat Content					\$/bbl					139,000					Maintenance Intervals					Cost					\$4,720,000									
Fuel Costs										\$94.75					Hot Section Inspection																			
Financial Parameters										Major Maintenance										Major Maintenance														
Escalation					First Year					2018					Major Inspection					\$2,395,000					Event Intervals					Starts				
Operations & Maintenance					2.5%					2.5%					Maintenance Category 3					\$4,600,000					Hot Section Inspection					0				
Major Maintenance					2.5%					2.5%					Maintenance Category 4					\$0					Major Inspection					0				
Fuel					2.5%					2.5%					Maintenance Category 5					\$0					Maintenance Category 3					0				
Revenue					2.5%					2.5%															Maintenance Category 4					0				
Weighted Avg Cost of Capital					8.0%					8.0%															Maintenance Category 5					0				

Operations & Maintenance			Mobile Generation Company - Mosadi			Bid Proposal by General Electric																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
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Category	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500
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	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2
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Mobile Generation Comparison Model									
Bid Proposal by General Electric									
KEY RESULTS AND ASSUMPTIONS									
Strictly proprietary & confidential									
4-Oct-18									
Project Summary			Project Results			Sensitivities			
Proponent/Bidder	General Electric	2019	PREPA Discount Rate	8.0%	Dev + EPC-related Capital Costs	0%			
Project Initiation		20	PREPA WACC	8.0%	Operations & Maintenance	0%			
Evaluation Term (<=50)			Net Present Value	NPV	Major Maintenance Costs	0%			
Net Capacity		28,643	Equivalent Uniform Annualized Cost	EUAC					
			LOCOE \$/kWhr (2018\$)	See Eval Tab					
					\$0,2637				
(Changeable inputs shown in blue font)									
Project Assumptions			Capital Cost			Operations & Maintenance Costs			
Operating Assumptions			Initiate & Develop			O&M Expense			
Project Initiation	Year	2019	Purchase Price	Units/Notes	Cost	Year 1	Escalation?	Rebuild	
Refurbish Alternative			Spare Parts	\$	\$16,952,250	Year 2	No	\$9,532,775	
Capacity Factor	%	25.0%	Commissioning/Startup	\$	\$0	Year 3	No	\$9,532,775	
Availability	%	95.0%		\$	\$3,114,450	Year 4	No	\$8,102,240	
Annual Starts		50	Subtotal-CapEx		\$20,066,700	Year 5+	No	\$8,530,320	
Heatrate	Btu/kWhr	9,393						\$4,720,000	
Fuel Heat Content	Btu/gal	139,000	Major Maintenance						
Fuel Costs	\$/bbl	\$94.75	Maintenance Intervals		Cost				
			Hot Section Inspection		\$2,395,000	Major Maintenance	Starts	Hours	
			Major Inspection		\$4,600,000	Event Intervals			
			Maintenance Category 3		\$0	Hot Section Inspection	0	25,000	
			Maintenance Category 4		\$0	Major Inspection	0	50,000	
			Maintenance Category 5		\$0	Maintenance Category 3	0	0	
						Maintenance Category 4	0	0	
						Maintenance Category 5	0	0	
Financial Parameters									
Escalation									
First Year	2018								
Operations & Maintenance	2.5%								
Major Maintenance	2.5%								
Fuel	2.5%								
Revenue	2.5%								
Weighted Avg Cost of Capital	8.0%								

Operations & Maintenance
Mobile Generation Comparison Model
Jid Prapaisri, W. General Electric

Operations & Maintenance Mobile Generation Competition Model Bid Proposal by General Electric																																		
Cost	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050		
Hour	2,001	2,006	2,001	2,001	2,002	2,006	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001		
Miles	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592	59,592		
133,000 MW																																		
\$	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84	96,442.84		
Total Fuel Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Year 1																																		
Year 2																																		
Year 3																																		
Year 4																																		
Year 5*																																		
Total 3rd-Party O&M Contract Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Year 1																																		
Year 2																																		
Year 3																																		
Year 4																																		
Year 5*																																		
Total 3rd-Party O&M Contract Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Major Maintenance Costs																																		
Major Inspection																																		
Major Inspection																																		
Maintenance Category 3																																		
Maintenance Category 4																																		
Maintenance Category 5																																		
Total O&M and Major Maintenance Costs																																		

THREATS		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000	3001	3002	3003	3004	3005	3006	3007	3008	3009	3010	3011	3012	3013	3014	3015	3016	3017	3018	3019	3020	3021	3022	3023	3024	3025	3026	3027	3028	3029	3030	3031	3032	3033	3034	3035	3036	3037	3038	3039	3040	3041	3042	3043	3044	3045	3046	3047	3048	3049	3050	3051	3052	3053	3054	3055	3056	3057	3058	3059	3060	3061	3062	3063	3064	3065	3066	3067	3068	3069	3070	3071	3072	3073	3074	3075	3076	3077	3078	3079	3080	3081	3082	3083	3084	3085	3086	3087	3088	3089	3090	3091	3092	3093	3094	3095	3096	3097	3098	3099	3100	3101	3102	3103	3104	3105	3106	3107	3108	3109	3110	3111	3112	3113	3114	3115	3116	3117	3118	3119	3120	3121	3122	3123	3124	3125	3126	3127	3128	3129	3130	3131	3132	3133	3134	3135	3136	3137	3138	3139	3140	3141	3142	3143	3144	3145	3146	3147	3148	3149	3150	3151	3152	3153	3154	3155	3156	3157	3158	3159	3160	3161	3162	3163	3164	3165	3166	3167	3168	3169	3170	3171	3172	3173	3174	3175	3176	3177	3178	3179	3180	3181	3182	3183	3184	3185	3186	3187	3188	3189	3190	3191	3192	3193	3194	3195	3196	3197	3198	3199	3200	3201	3202	3203	3204	3205	3206	3207	3208	3209	3210	3211	3212	3213	3214	3215	3216	3217	3218	3219	3220	3221	3222	3223	3224	3225	3226	3227	3228	3229	3230	3231	3232	3233	3234	3235	3236	3237	3238	3239	3240	3241	3242	3243	3244	3245	3246	3247	3248	3249	3250	3251	3252	3253	3254	3255	3256	3257	3258	3259	3260	3261	3262	3263	3264	3265	3266	3267	3268	3269	3270	3271	3272	3273	3274	3275	3276	3277	3278	3279	3280	3281	3282	3283	3284	3285	3286	3287	3288	3289	3290	3291	3292	3293	3294	3295	3296	3297	3298	3299	3300	3301	3302	3303	3304	3305	3306	3307	3308	3309	3310	3311	3312	3313	3314	3315	3316	3317	3318	3319	3320	3321	3322	3323	3324	3325	3326	3327	3328	3329	3330	3331	3332	3333	3334	3335	3336	3337	3338	3339	3340	3341	3342	3343	3344	3345	3346	3347	3348	3349	3350	3351	3352	3353	3354	3355	3356	3357	3358	3359	3360	3361	3362	3363	3364	3365	3366	3367	3368	3369	3370	3371	3372	3373	3374	3375	3376	3377	3378	3379	3380	3381	3382	3383	3
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	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2
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 R. J. FHC

Mobile Generation Comparison Model									
Bid Proposal by Siemens									
KEY RESULTS AND ASSUMPTIONS									
Strictly proprietary & confidential									
4-Oct-18									
Project Summary									
Proponent/Bidder	Siemens	2019	PREPA Discount Rate	8.0%	Sensitivities				
Project Initiation			PREPA WACC	8.0%	Dev + EPC-related Capital Costs		0%		
Evaluation Term (<=50)			20 Net Present Value		Operations & Maintenance		0%		
Net Capacity			36.6		Major Maintenance Costs		0%		
				NPV					
				EUAC					
				See Eval Tab					
				LCOE \$/kWhr (2018\$)	\$0.5382				
(Changeable inputs shown in blue font)									
Project Assumptions									
Operating Assumptions									
Project Initiation	Year	2019	Initiate & Develop	Capital Cost					
Refurbish Alternative			Purchase Price	Cost	Units/Notes	Escalation?	Rebuild		
Capacity Factor	%	5.7%	Spare Parts	\$29,881,685		No	\$7,474,137		
Availability	%	95.0%	Commissioning/Startup	\$0		No	\$7,474,137		
Annual Starts		50	Subtotal-CapEx	\$1,784,981		No	\$6,116,789		
Heatrate	Btu/kWhr	9039		\$31,666,666		No	\$5,418,714		
Fuel Heat Content	Btu/gal	139,000	Major Maintenance			No	\$4,720,000		
Fuel Costs	\$/bbl	\$94.75	Maintenance Intervals	Cost					
Financial Parameters									
Escalation			Minor Inspection (Class A)	\$0	Event Intervals	Starts	Hours		
First Year		2018	Hot Section Refurbishment (Class B)	\$4,725,132	Minor Inspection (Class A)	0	12,500		
Operations & Maintenance		2.5%	Major Overhaul (Class C)	\$0	Hot Section Refurbishment (Class B)	0	25,000		
Major Maintenance		2.5%	Maintenance Category 4	\$0	Major Overhaul (Class C)	0	50,000		
Fuel		2.5%	Maintenance Category 5	\$0	Maintenance Category 4	0	0		
Revenue		2.5%			Maintenance Category 5	0	0		
Weighted Avg Cost of Capital									

Drop List

Yes

No

[illegible]

Category		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000
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RFP 82695 MOBILE GENERATION UNITS
PRICE COMPARISON

Costo de energía (20 puntos)				
	ARG (Pratt & Whitney)	RG Engineering (GE)	Siemens	
Net Present Value (Base case 25% C.F.)	\$ (159,111,631.87)	\$ (190,064,052.57)	\$ (219,674,008.21)	
Net Present Value 500 hrs (5.7% C.F.)	\$ (84,127,900.03)	\$ (104,038,111.54)	\$ (112,995,213.88)	
Equivalent Uniform Annualized Cost (Base case 25% C.F.)	\$ (16,205,871.16)	\$ (19,358,443.57)	\$ (22,374,282.96)	
Equivalent Uniform Annualized Cost 500 hrs (5.7% C.F.)	\$ (8,568,612.44)	\$ 10,596,511.46	\$ (11,508,812.12)	
Levelized Cost of energy (Base case 25% C.F.) \$/kWhr	\$ 0.2800	\$ 0.2637	\$ 0.2386	
Levelized Cost of energy 500 hrs (5.7% C.F.) \$/kWhr	\$ 0.6494	\$ 0.6332	\$ 0.5382	
Puntuación	15.868	16.470	20.000	

Costo por Unidad e Instalación (30 puntos)		
ARG	\$ 19,299,166.00	30
RG	\$ 20,066,700.00	28.81
Siemens	\$ 31,666,666.00	10.78

	ARG	RG	Siemens
Costo Instalación por Unidad	\$ 1,303,458.00	\$ 3,114,450.00	\$ 1,784,981.00
Costo por Unidad	\$ 17,995,708.00	\$ 16,952,250.00	\$ 29,881,685.00
Total	\$ 19,299,166.00	\$ 20,066,700.00	\$ 31,666,666.00

Conversión a Valor del Renglón Costo Unidad e Instalación

$$Puntuación de Proponente = \left[1 - \frac{(Proponente - Proponente_{Mas_Bajo})}{Proponente_{Mas_Bajo}} \right] * Valor de Renglón$$

$$Puntuación de Proponente_{ARG} = \left[1 - \frac{(19,299,166 - 19,299,166)}{19,299,166} \right] * 30 = 30$$

$$Puntuación de Proponente_{RG} = \left[1 - \frac{(20,066,700 - 19,299,166)}{19,299,166} \right] * 30 = 28.807$$

$$Puntuación de Proponente_{SIEMENS} = \left[1 - \frac{(31,666,666 - 19,299,166)}{19,299,166} \right] * 30 = 10.775$$

O&M por Unidad (10 puntos)		
ARG	\$ 20,218,012.69	10
RG	\$ 35,698,110.00	2.343
Siemens	\$ 26,483,776.00	6.901

	ARG	Siemens	RG
Mantenimiento primeros 2 años	\$ 8,890,000.00	\$ 14,948,273.00	\$ 19,065,550.00
Piezas Reemplazo por Unidad	\$ 2,028,012.69		
Mantenimiento 3er año	\$ 4,580,000.00	\$ 6,116,789.00	\$ 8,102,240.00
Mantenimiento 4to año	\$ 4,720,000.00	\$ 5,418,714.00	\$ 8,530,320.00
Total	\$ 20,218,012.69	\$ 26,483,776.00	\$ 35,698,110.00

Conversión a Valor del Renglón Costo O&M

$$Puntuación de Proponente_{ARG} = \left[1 - \frac{(20,218,012.69 - 20,218,012.69)}{20,218,012.69} \right] * 10 = 10$$

$$Puntuación de Proponente_{RG} = \left[1 - \frac{(35,698,110 - 20,218,012.69)}{20,218,012.69} \right] * 10 = 2.343$$

$$Puntuación de Proponente_{SIEMENS} = \left[1 - \frac{(26,483,776 - 20,218,012.69)}{20,218,012.69} \right] * 10 = 6.901$$

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Conversión a Valor del Renglón Costo de Energía

$$Puntuación\ de\ Proponente_{ARG} = \left[1 - \frac{(0.6494 - 0.5382)}{0.5382} \right] * 20 = 15.868$$

$$Puntuación\ de\ Proponente_{RG} = \left[1 - \frac{(0.6332 - 0.5382)}{0.5382} \right] * 20 = 16.470$$

$$Puntuación\ de\ Proponente_{SIEMENS} = \left[1 - \frac{(0.5382 - 0.5382)}{0.5382} \right] * 20 = 20.000$$

RFP 82695 MOBILE GENERATION UNITS

SCORING TABLE

PROPOSERS	ARG PRECISION, CORP.	RG ENGINEERING, INC.	SIEMENS
Price Proposal (60 points)			
Units Pricing:			
Shall submit a price per unit (including all its BOP equipment and accessories) (20 points)			
Shall provide an installation price per unit, with all necessary equipment, materials, labor, testing, and commissioning (10 points)	30	28.81	10.78
Shall provide price for Operation and Maintenance as required in this document (10 points)	10	2.343	6.9
Levelized Cost of Energy (LOE) \$/kW-hr (20 points)	15.86	16.47	20
Price Proposal Score:	55.86	47.62	37.68
Price Proposal Score 1 to 5 Scale:	5	4.00	4.00
Price Proposal Score Converted:	60	48	48
Experience and Capacity (15 points)			
Offeror's Experience:			
Shall submit an abbreviated history of firm			
Shall provide evidence of applicable experience and performance in at least two related scope projects within the past five years, and references.	3	4	5
Shall provide qualifications and resumes of experienced key personnel (project manager, engineers, supervisors, etc.) of the proponent with at least ten (10) years of experience in similar projects.	4	4	4
Shall provide qualifications and resumes of experienced key personnel (project manager, engineers, supervisors, etc.) of the installation subcontractor (if any) with at least five (5) years of experience in similar projects.	5	5	5
Shall provide a proposed project schedule based on continuous work with key and critical tasks.	5	5	5
Schedule of Project Delivery:			
Shall provide a description of the proposed working plan, including working methods, logistics, list of resources (manpower and equipment), and subcontractors, if any.	3	4	4
Approach and Methodology (15 points)	12	13.2	13.8
Work Plan:			
Shall submit a description of the proposed working plan, including working methods, logistics, list of resources (manpower and equipment), and subcontractors, if any.	4	4	4
Approach and Methodology Score:	12	12	12
Compliance with all Applicable Federal, and Puerto Rico Regulations (10 points)			
Proponents who demonstrate compliance with all applicable federal and Puerto Rico regulations. Adherence to strong ethical and integrity practices and unequivocal commitment to solid administrative practices is essential for PREPA. Understanding of federal and local requirements is essential and will be highly considered.	4	5	3
Compliance with all Applicable Federal, and Puerto Rico Regulations:			
	8	10	6
Total	92	83.2	79.8

The criteria shall be graded using a score of 1 to 5:

- 1 = Poor or Inadequate – does not meet RFP expectations
- 2 = Adequate – criteria are met, below the standards set by the RFP
- 3 = Average – meets the minimum standards set by the RFP
- 4 = Good – meets and exceeds the minimum standards set by the RFP
- 5 = Excellent – meets and substantially exceeds the minimum standards set by the RFP and presents the best proposal for the criteria.

Natalia Martínez Lugo

From: Natalia Martínez Lugo
Sent: Thursday, October 04, 2018 11:25 AM
To: José A. Roque Torres; Jose M Cruz Perez; MIGUEL A. DEL VALLE MORALES; Felix A. Hernández Cabán
Subject: DRAFT RECOMENDACION ADJUDICACION RFP v1nm
Attachments: DRAFT RECOMENDACION ADJUDICACION RFP v1nm.docx

Saludos

Incluyo borrador con recomendación de Roque en la Sección Evaluación de Proponentes. Se añade la siguiente oración:

“Además, esta compañía suministró un compromiso de financiamiento por parte Bostonial Partners con el cual financiaría dicho proyecto en conjunto con PW.”

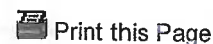
Favor corroborar y confirmar estar de acuerdo con lo establecido en el informe para poder comenzar a recopilar las firmas.



Natalia Martínez Lugo
Supervisora de Compras
División de Suministros
e-mail: natalia.martinez@aeep.com
787.521.1394

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**Subject: REQUEST FOR CLARIFICATION****Date:** 10/03/18 01:45 PM (AST)**From:** Armando Rodriguez [ARG Precision]

To: Puerto Rico Electric Power Authority (PREPA) Buyer Team: Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; JOSE CRUZ [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; MATT LEE [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; Nathan Pollak [Puerto Rico Electric Power Authority (PREPA)]; JosÃ© A. Roque Torres [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];

Cc: ARG Precision Bid Team: Armando Rodriguez [ARG Precision];**Message:**

We are providing the public financial statements of Mitsubishi Heavy Industry Group parent company of PWPS which is also committed (see letter) if proposal approval is conditioned to financing. ARG, PWPS and Bostonia Partners are available to PREPA for the negotiation of the terms and conditions that results in an agreement for financing the project. As for the financial statements from Bostonia Partners LLC, please refer to the letter sent October 2, 2018 that explains that they will disclose the financial statements of the selected capital partner at the appropriate time and that most of these capital partners are large, rated publicly traded companies. --- Original Message Sent 10/03/18 10:42 AM (EDT). --- Good evening In order to be able to finalize the evaluation process it is necessary to provide the following information on or before October 3, 2018 at 2:00 pm(AST) - Bostonia Partners, financial statements for the past 2 years or equivalent financial records.

Attachments:

<u>Description</u>	<u>File Name</u>	<u>Type</u>	<u>Date</u>	<u>Submittals</u>
MHI Report 2016	att_report_2016.pdf	Message Attachment	10/03/18	
MHI Report 2017	att_MHI_Report_2017.pdf	Message Attachment	10/03/18	
MHI Report 2018	att_MHI_Report_2018_Financial_Section.pdf	Message Attachment	10/03/18	
PWPS Commitment	att_PREPA_Financing.pdf	Message Attachment	10/03/18	

Subject: REQUEST FOR CLARIFICATION**Date:** 10/03/18 10:42 AM (AST)**From:** Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]

To: Selected Bid Team(s)
ARG Precision Bid Team: Armando Rodriguez [ARG Precision];

Cc: Puerto Rico Electric Power Authority (PREPA) Buyer Team: Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; JOSE CRUZ [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; MATT LEE [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; Nathan Pollak [Puerto Rico Electric Power Authority (PREPA)]; JosÃ© A. Roque Torres [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];

Message:

Good evening In order to be able to finalize the evaluation process it is necessary to provide the following information on or before October 3, 2018 at 2:00 pm(AST) - Bostonia Partners, financial statements for the past 2 years or equivalent financial records.

Puerto Rico Electric Power Authority (PREPA)
San Juan, Puerto Rico.

Attention:
Mrs. Natalia Martinez Lugo
Purchasing Department

October 3, 2018

Subject: Proposal for Bid Process 82695 MOBILE Generation Units for Palo Seco and Yabucoa Power Plants.

Dear Natalia,

If the proposal approval is conditioned to financing, PWPS is committed in providing a financing solution for the project and is available to sit down with PREPA for the negotiation of the terms and conditions that results in an agreement for financing.

If you need any additional information do not hesitate to contact us

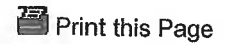
Sincerely yours,



Eleazar F. Rodriguez
PW Power Systems LLC.
Sales Director



PW Power Systems LLC
628 Hebron Avenue, Suite 400
Glastonbury, CT 06033
www.pwps.com

**Subject: Request for Information - RFP 82695 Mobile Generation Units****Date:** 10/02/18 10:08 AM (AST)**From:** Alexander Johnson [Siemens Energy, Inc]

To: **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; JOSE CRUZ [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; MATT LEE [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; Nathan Pollak [Puerto Rico Electric Power Authority (PREPA)]; Viviana Ramirez [Puerto Rico Electric Power Authority (PREPA)]; Jos   A. Roque Torres [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];

Cc: **Siemens Energy, Inc Bid Team:** Alexander Johnson [Siemens Energy, Inc]; William Stefurak [Siemens Energy, Inc];

Message:

Siemens AG's financial statements for the past 2 years are attached for PREPA's review. Siemens' financial statements for fiscal year 2018 will be available in the end of November. Therefore, we are also including our FY18 first half results and Q3 reports. Please let us know if you would like additional information. --- Original Message Sent 10/01/18 06:56 PM (EDT): --- Good evening The information below is required for the event of reference: Financial statements for the past 2 years PREPA requires the following information to be provided on or before October 2, 2018 at 1:00pm (AST).

Attachments:

Description	File Name	Type	Date	Submittals
Siemens Financial Statements	att_Siemens_Financial_Statements_(2016-2018).zip	Message Attachment	10/02/18	

Subject: Request for Information - RFP 82695 Mobile Generation Units**Date:** 10/01/18 06:56 PM (AST)**From:** Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]

To: **Selected Bid Team(s)**
Siemens Energy, Inc Bid Team: Alexander Johnson [Siemens Energy, Inc]; William Stefurak [Siemens Energy, Inc];


Cc: **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; JOSE CRUZ [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; MATT LEE [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; Nathan Pollak [Puerto Rico Electric Power Authority (PREPA)]; Viviana Ramirez [Puerto Rico Electric Power Authority (PREPA)]; Jos   A. Roque Torres [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];

Message:

Good evening The information below is required for the event of reference: Financial statements for the past 2 years PREPA requires the following information to be provided on or before October 2, 2018 at 1:00pm (AST).

Print

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Subject: Request for Information - RFP 82695 Mobile Generation Units**Date:** 10/02/18 10:41 AM (AST)**From:** Armando Rodriguez [ARG Precision]

To: Puerto Rico Electric Power Authority (PREPA) Buyer Team: Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; JOSE CRUZ [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; MATT LEE [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; Nathan Pollak [Puerto Rico Electric Power Authority (PREPA)]; JosÃ© A. Roque Torres [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];

Cc: ARG Precision Bid Team: Armando Rodriguez [ARG Precision];**Message:**

Mrs. Natalia Martinez Please see attached letter in response of the Request For information. --- Original Message Sent 10/01/18 06:54 PM (EDT). --- Good evening The information below is required for the event of reference. ; Financial statements for the past 2 years of Bostonia Partners PREPA requires the following information to be provided on or before October 2, 2018 at 1:00pm (AST).

Attachments:

Description	File Name	Type	Date	Submittals
Bostonia Partners Letter Response to RFI	att_BP_PREPA_ARG_Letter_100218.pdf	Message Attachment	10/02/18	

Subject: Request for Information - RFP 82695 Mobile Generation Units**Date:** 10/01/18 06:54 PM (AST)**From:** Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]**To:** Selected Bid Team(s)

ARG Precision Bid Team: Armando Rodriguez [ARG Precision];

Cc: Puerto Rico Electric Power Authority (PREPA) Buyer Team: Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; JOSE CRUZ [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; MATT LEE [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; Nathan Pollak [Puerto Rico Electric Power Authority (PREPA)]; JosÃ© A. Roque Torres [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];

Message:

Good evening The information below is required for the event of reference. ; Financial statements for the past 2 years of Bostonia Partners PREPA requires the following information to be provided on or before October 2, 2018 at 1:00pm (AST).

Print

Close

Bostonia Partners

October 2, 2018

Natalia Martinez Lugo
Puerto Rico Electric Power Authority
San Juan, Puerto Rico

(via electronic transmission)

Re: PREPA RFP 82695 Mobile Generation

Dear Ms. Martinez Lugo,

Bostonia Partners LLC is an investment bank headquartered in Boston, Massachusetts. Members of our professional team have 30 years of experience with both government and private financings in Puerto Rico, the Virgin Islands and the Pacific territories. We have arranged over \$3 billion of federal contract financings primarily in the real estate and energy sectors. The end investor for these federal contract financings is usually a bank or insurance company.

We have provided ARG Precision Corp. ("ARG") with a financing letter in connection with ARG's response to PREPA RFP 82695 Mobile Generation. We understand the requirement is interim financing for the Project until PREPA receives reimbursement from FEMA. We have a number of capital provider partners that will have interest in this type of financing.

IF ARG is selected for negotiations and we are under NDA with PREPA, we will disclose the financial statements of the selected capital partner at the appropriate time. Most of these capital partners are large, rated publicly traded companies.

Very truly yours,



Thomas F. Dooney
Managing Director

cc: Armando J. Rodriguez



Bostonia Partners LLC • A Bostonia Group Company
One Exeter Plaza, 699 Boylston St., 7th Floor • Boston, MA 02116 • tel 617.437.0150 • fax 617.437.7030
www.bostonia.com

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Bostonia Partners

Privileged and Confidential Information

30 September 2018

Armando J Rodriguez, PE
President
ARG Precision, Corp.
Toa Baja, PR 00951

(via electronic transmission)

Re: PREPA RFP 83695 Mobile Generation Units

Dear Mr. Rodriguez,

Bostonia Partners LLC ("Bostonia") is pleased to present you with this financing letter in connection with the above referenced Request for Proposals issued by the Puerto Rico Electric Utility Authority.

ARG Precision, Corp. ("ARG") is a respondent to the Puerto Rico Electric Utility Authority ("PREPA") Request for Proposals 82694 dated September 5, 2018 for Mobile Generation Units to be located at Yabucoa and Palo Seco ("PREPA RFP 83695 Mobile Generation Units"), wherein ARG proposes to install, operate and maintain a total of three *MOBILEPAC*® Gas Turbine Units to be furnished by PW Power Systems ("PWPS") (the "Project").

Bostonia, ARG and PWPS dba "Team Peaker Puerto Rico" submitted an unsolicited proposal to PREPA and the Puerto Rico Public-Private Partnerships Authority ("PRP3A") dated June 15, 2017 to design, build, install, own and operate a total of 540MW of *MOBILEPAC*® Gas Turbine Units at multiple locations in Puerto Rico ("Team Peaker Puerto Rico P3 Proposal"). The Team Peaker Puerto Rico P3 Proposal was accepted by PREPA and the PRP3A for further consideration in a preliminary determination letter to Team Peaker Puerto Rico dated August 28, 2018. PREPA, PRP3A and Team Peaker shall commence due diligence in accordance with the provisions of Act No. 29 of 2009 of the Commonwealth of Puerto Rico concerning Public Private Partnerships, as amended ("Act 29-2009") in October 2018.

PREPA RFP 83695 Mobile Generation Units states a contract term of 60 days from Notice to Proceed ("NTP") and that the payment provisions will be defined in the power purchase agreement which will be negotiated and executed with the successful offeror. We understand



Bostonia Partners LLC • A Bostonia Group Company
One Exeter Plaza, 699 Boylston St., 7th Floor • Boston, MA 02116 • tel 617.437.0150 • fax 617.437.7080
www.bostonia.com

that this reference to power purchase agreement has been supplanted by the proposed draft "PREPA Generation Directorate Mobile Generation Purchase Contract" (the "Purchase Contract"). We have reviewed the Purchase Contract and are generally comfortable with its terms for Bostonia to provide financing.

PRPEA intends to pay the full amount of the costs of the Project, either on a progress payment basis during installation or upon or shortly after acceptance of the Project with federal funds from FEMA available to PREPA under disaster relief appropriations already approved by Congress. We assume these federal funds will be provided to PREPA on a reimbursement basis.

Bostonia has financed more than \$3 billion of federally funded contracts and we are knowledgeable and comfortable with their unique requirements for investment.

We present you with the following offer to provide financing for the Project:

1. Interim financing in an amount up to \$60 million.
2. Interim financing for up to 6 months depending upon the payment schedule to be negotiated with PREPA. Financing cost to be set once we understand tenor requirements.
3. The "Borrower" will be a Special Purpose Entity acceptable to Bostonia. PREPA will not be the Borrower.
4. Satisfactory liquidity of PREPA and evidence of Project eligibility for federal funding reimbursement from the Federal Emergency Management Agency ("FEMA").
5. Security for the financing will be based upon the Purchase Contract between PREPA and ARG, the contract to supply three *MOBILEPAC*® Gas Turbine Units between PWPS and ARG, other material sub-contracts if any, and normal and customary terms and requirements for a financing of this nature.
6. Prior to the date of NTP, all contracts required to secure financing will be executed and enforceable and all approvals and requirements of and compliance with federal and Puerto Rico law and regulation shall be satisfied, including not limited to (but only to the extent required): (i) the Puerto Rico Oversight, Management and Economic Stability Act of 2016 ("PROMESA"); (ii) Act No. 120-2018, the "Puerto Rico Electric Power System Transformation Act" ("Act 120-2018") and Act 29-2009 as related to Act 120-2018 ; (iii) the Federal Oversight Management Board ("FOMB"); (iv) the PROMESA Title III Court; (v) the PREPA Certified Fiscal Plan; (vi) PREPA, PRP3A, the Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF") and the Puerto Rico Energy Bureau; and (vii) FEMA and its applicable federal agency partners and/or designees. As an "emergency contract" some of these requirements may not be applicable in connection with the Purchase Contract.

7. The Purchase Contract contemplates funding of the purchase through reimbursement to PREPA from FEMA. The Purchase Contract therefore requires compliance with federal law for federally funded contracts. Article 53 of the Purchase Contract, "Compliance with Applicable Federal Law, Regulations and Executive Orders", sets forth these requirements. ARG and its sub-contractors will need to demonstrate the ability to comply with these requirements on which federal funding is contingent.

This letter is an offer to provide financing on a best efforts basis and is not a commitment to lend. Any commitment to lend will be made subject to customary and normal due diligence and final documentation and evidence of satisfaction of the requirements noted above, all at the determination of Bostonia and its counsel. We will work with you on an expedited basis to meet the aggressive time frame established by PREPA.

We look forward to working with you on this Project. ARG, PWPS and Bostonia have an excellent working relationship by virtue of our work together on Team Peaker Puerto Rico and we look forward to putting this collective experience to the advantage of PREPA.

Very truly yours,



Thomas F. Dooney
Managing Director

NOTICE AND DISCLAIMER

Bostonia Partners LLC ("Bostonia") is providing the information contained in this document for discussion purposes only in anticipation of potentially serving as counterparty to you in one or more arm's length commercial transactions.

Bostonia, itself and through its affiliates, is in the business of arranging financing for entities like you and would do so in an arm's-length commercial transaction between you and Bostonia and Bostonia has financial and other interests that differ from yours. Bostonia is not acting as a municipal advisor, financial advisor or fiduciary to you or any other person or entity. Bostonia will not have any duties or liability to any person or entity in connection with the information being provided herein. The information provided is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934. You should consult with your own financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent you deem appropriate.

Bostonia maintains compliance with the rules promulgated by the Municipal Securities Rulemaking Board, among other regulatory bodies. If and when Bostonia were retained by an issuer of municipal securities, Bostonia would provide additional disclosure regarding the role of the placement agent, our compensation, and potential conflicts of interest.



GOBIERNO DE PUERTO RICO
Autoridad de Energía Eléctrica de Puerto Rico

REUNIÓN COMITÉ DE EVALUACIÓN RFP 82695 MOBILE GENERATION UNITS

SALÓN DE CONFERENCIAS, OFICINA PMO

2 DE OCTUBRE DE 2018, 1:00PM

Presentes:

Comité de Evaluación:

José M. Cruz Pérez, Superintendente Generación

Félix A. Hernández Cabán, Abogado Ingreso

Miguel Del Valle Morales, Superintendente

Natalia Martínez Lugo, Supervisora de Compras

Jose A. Roque Torres, Tesorero

Temas:

- Determinación de puntuación en los criterios de evaluación.

Comentarios y acuerdos:

1. Se discutieron los criterios de evaluación según establecidos en el RFP. A base de la información provista por los proponentes se otorgaron puntuación a cada criterio del uno (1) al (cinco) 5. Donde el cinco (5) representa excelente, el proponente cumple y excede sustancialmente el estándar mínimo establecido en el RFP y presenta la mejor propuesta para dicho criterio. Cuatro (4) representa bueno, el proponente cumple y excede el estándar mínimo del RFP. Tres (3) representa promedio, el proponente que cumple con los estándares mínimos del RFP. Dos (2) representa adecuado, se cumplen con los criterios, por debajo de los estándares establecidos por el RFP. Uno (1) Pobre o Inadecuado representa que no cumple con las expectativas del RFP.



Se otorgaron las puntuaciones a base de los siguientes Criterios de Evaluación:

1. Experience and Capacity:

- ***Shall submit an abbreviated history of firm***

En base a la información provista por los proponentes sobre su historia el Comité determino lo siguiente: Siemens suministró información que cumple y excede sustancialmente el estándar mínimo establecido en el RFP, por lo que se le otorgo una puntuación de cinco. En cuanto a la información provista por RG se le otorgo cinco, dado a que cumplió con los estándares mínimos y excede el estándar mínimo del RFP. En cuanto a ARG proveyó información, pero no abundo en el mismo por lo que se le otorgo tres, dado a que fue promedio.

- ***Shall provide evidence of applicable experience and performance in at least two related scope projects within the past five years, and references.***

Todos los proponentes proveyeron evidencia aplicable a la experiencia y desempeño en trabajos relacionados. Dicha información cumple con los estándares mínimos, por lo que todos los miembros determinaron proveer la puntuación de cuatro para cada uno de los proponentes.

- ***Shall provide qualifications and resumes of experienced key personnel (project manager, engineers, supervisors, etc.) of the proponent with at least ten (10) years of experience in similar projects.***

Los proponentes proveyeron resumes y cualificaciones de personal clave para trabajos similares. La evidencia provista cumple con las expectativas del Comité. En conjunto se decidió otorgarle cinco a todos los proponentes.

- ***Shall provide qualifications and resumes of experienced key personnel (project manager, engineers, supervisors, etc.) of the installation subcontractor (if any) with at least five (5) years of experience in similar projects.***

ARG y Siemens proveyeron cualificaciones y resumes para el personal a subcontratar. En cuanto a RG no entrego dicha información debido a que no van a subcontratar servicios. Por tal razón el Comité determinó otorgar la puntuación de cinco a todos los proponentes.

a. *Schedule of Project Delivery:*

- ***Shall provide a proposed project schedule based on continuous work with key and critical tasks.***

RG y Siemens proveyeron un programa de trabajo complejo, con lo detalles pertinentes del proyecto cumpliendo y excediendo los estándares mínimos del RFP por tal razón se determinó otorgarle cuatro puntos a cada uno. En cuanto a la información provista por ARG, carecía de algunos aspectos del programa de trabajo, pero aun así cumplió con los requisitos mínimos del RFP por lo que se le otorgo tres.

2. *Approach and Methodology*

- ***Shall submit a description of the proposed working plan, including working methods, logistics, list of resources (manpower and equipment), and subcontractors, if any.***

Todos los proponentes cumplieron y excedieron con los estándares mínimos del RFP, proveyendo sus planes de trabajos incluyendo metodologías, logísticas y listas de recursos. El Comité determino otórgales una puntuación de cuatro a cada uno.

3. *Compliance with all Applicable Federal, and Puerto Rico Regulations*

- ***Proponents who demonstrate compliance with all applicable federal and Puerto Rico regulations. Adherence to strong ethical and integrity practices and unequivocal commitment to solid administrative practices is essential for PREPA. Understanding of federal and local requirements is essential and will be highly considered.***

RG proveyó información demostrando conformidad con las leyes federales y de Puerto Rico, excediendo sustancialmente el estándar mínimo establecido. En cuanto a ARG proveyó información cumpliendo y excediendo los estándares mínimos del RFP por lo que se le otorgo cuatro. Por otro lado Siemens confirmó su conformidad con las leyes federales y regulaciones de Puerto Rico, pero carecía de información detallada al respecto por lo que se determinó otorgarle una puntuación de tres.

4. Price Proposal

- Para el criterio de *Price Proposal* se realizaron tablas comparativas para determinar las puntuaciones por el Costo de Energía, Costo por las unidades y O&M por unidad. Este criterio cuesta 60 puntos en los criterios de evaluación.

Una vez otorgada las puntuaciones se procedió a identificar el proponente con la mejor puntuación.



GOVERNMENT OF PUERTO RICO
Puerto Rico Electric Power Authority

ATTENDANCE SHEET
EVALUATION COMMITTEE
RFP 82695 MOBILE GENERATION UNITS
OCTOBER 1, 2018 – 1:00PM

[illegible]



GOBIERNO DE PUERTO RICO

Autoridad de Energía Eléctrica de Puerto Rico

REUNIÓN COMITÉ DE EVALUACIÓN RFP 82695 MOBILE GENERATION UNITS
SALÓN DE CONFERENCIAS, OFICINA PMO
1 DE OCTUBRE DE 2018, 1:00PM

Presentes:

Comité de Evaluación:

José M. Cruz Pérez, Superintendente Generación
Félix A. Hernández Cabán, Abogado Ingreso
Miguel Del Valle Morales, Superintendente
Natalia Martínez Lugo, Supervisora de Compras
Jose A. Roque Torres, Tesorero

Temas:

- Revisión de Clarificaciones solicitadas

Comentarios y acuerdos:

1. Se evaluaron las respuestas recibidas para la solicitud de clarificaciones realizada a todos los proponentes. Se determinó realizar clarificación adicional a ARG Precision, Corp. referente a proveer evidencia de los Estados Financieros o su equivalente records financieros, debido a que establecieron que el proyecto sería financiado por Bostonia Partners.

Culminamos la reunión a las 4:30pm.



Puerto Rico Electric Power Authority

[illegible]



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority

September 27, 2018

RG Engineering, Inc.

Request for Clarification - RFP 82695 Mobile Generation Units

The information below is required for the Scope of Work of the event of reference. PREPA requires the following information to be provided, clarified, or identified in the section that can be found in the proposal submitted. Please provide your answer on or before October 1, 2018 at 1:00pm (AST).

Gas Turbines and Balance of Plant

1. Units shall have the capacity to operate as isolated generating units or synchronized with other units connected to the electrical grid.
2. Custom, separate remote control room shall be provided by means of a new mobile office trailer at each site (one (1) at Yabucoa and one (1) at Palo Seco). Custom trailer shall be complete with mobile capabilities, internal working area no less than 22-foot long and 10-foot wide, including air conditioning as per comfort standards, windows, two doors, and a partitioned office area.
3. Each unit shall be suited for remote communication to PREPA's Energy Control Center.
4. A new, black start power generation system per unit shall be provided with 100% black start capability.
5. Proposal shall include site-specific recommended maintenance/inspection intervals for each type of fuel (Distillate No.2/diesel and NG). If adjustments to each or every 60-minute real time hour is applied to the maintenance/inspection interval hourly counter, Contractor shall provide said adjustment formula with corresponding variable and/or fixed inputs from the OEM.
6. Trailer housing shall be weather resistant, acoustic, coated aluminum.
7. Existing equipment, materials or installations shall be properly relocated by the Contractor and reinstalled, as per instructed by PREPA.



PO Box 364267 San Juan, Puerto Rico 00936-4267

We are an equal opportunity employer and do not discriminate on the basis of race, color, gender, age, national or social origin, social status, political ideas or affiliation, religion; for being or perceived to be a victim of domestic violence, sexual aggression or harassment, regardless of marital status, sexual orientation, gender identity or immigration status; for physical or mental disability, for veteran status or genetic information.

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GTs Protection System

1. Protective Relay Study and its settings for the proposed mobile power system.
2. Grant access to PREPA to protective relay events.
3. Access to mobile power system proprietary software/program to allow communication with relays.
4. Mobile power system generator data sheet.
5. Protective relay single line diagram for the integration to PREPA's protection system. Such single line diagram shall be discussed with and approved by PREPA's Electrical Maintenance and Electric System Protection Division.

Operation and Maintenance (O&M)

1. Shall be all inclusive including furnishing and maintaining an adequate inventory of all spare parts throughout the duration of the agreement. Shall arrange for storage of all spare parts during the term of the O&M services in an appropriate environment to maintain the spare parts in a new condition.
2. Plans for financing, schedule, requirements and demonstration of commitments to financing. If proposal is conditioned on approval of financing, proposer must be able to demonstrate existing an achievable financing plan and provide strong commitments of financing for the project

Request for Clarification - RFP 82695 mobile generation units	
PREPA requires the following information to be provided, clarified, or identified in the section that can be found in the proposal submitted.	
Please provide your answer on or before October 1, 2018 at 1:pm (AST)	
No	Gas Turbines and Balance of Plant
1	<p>Dual Fuel, with installed capability to burn Distillate #2 diesel and natural gas (NG), either as a primary fuel. A third fuel provision is not required but may be acceptable. Shall be provided with all mechanical, electrical and logic/control operating functions to switch from one fuel to the other without any modifications</p> <p>Siemens confirms Dual Fuel installed capability, on the gas turbine package, to burn Distillate #2 diesel and natural gas (NG), either as a primary fuel will be provided with all mechanical, electrical and logic/control operating functions to switch from one fuel to the other without any modifications during the execution of the project. The gas turbine package is designed and manufactured to run on diesel and natural gas; however, the balance of plant equipment provided for both sites are for diesel fuel, dry.</p> <p>Please see attached documents in folder "01 Gas Turbines and Balance of Plant" under "Question #1"</p> <p>08 E1B100060909-SGT-A45 WLE DF LOGIC FLOW DIAGRAM E.A153.01.pdf (see page 28 for Logic flow diagram fuel changeover)</p> <p>09 LIQUID FUEL SYSTEM MANUAL SDD E1B100060376_A_merge.pdf (see chapter 9, Page 18 Liquid to Gas change over operational checks)</p>
2	<p>Units shall have the provisions to operate with and without water or steam injection. Contractor shall warranty compliance with current local, state and federal regulations</p> <p>Siemens confirms that all units have the provisions to operate with and without water or steam injection. Siemens trailers are designed and manufactured to operate with water and without water and on natural gas and diesel fuel. The SGT-A45 is dual fuel as a standard.</p> <p>Please see attached documents in folder "01 Gas Turbines and Balance of Plant" under "Question #2"</p> <p>01 SGT-A45 with and without water_Gas and Diesel Performance Curve</p> <p>02. Introduction (Page 1), section Liquid and Gas Fuel</p> <p>03. Final Siemens SGT-A45 Scope of Supply Rev 1.pdf (pages 1-2)</p> <p>For list of codes and standards, please see attached documents in folder "01 Gas Turbines and Balance of Plant" under "Question #2"</p> <p>03. Final Siemens SGT-A45 Scope of Supply Rev 1.pdf (section 2, pages 6 - Balance of Plants Codes and Standards)</p> <p>05. Design Requirements for SGT-A45 package and</p> <p>Siemens Commercial and Administrative Proposal", section 3 (see below)</p> <p>Siemens' goal is for Siemens and its subcontractors to comply with applicable federal and Puerto Rico local laws. Due to the fact that Siemens have experience working in Puerto Rico and with PREPA in the past, Siemens believe that it complies with the applicable regulations required by PREPA. However, it is Siemens understanding that the parties will mutually discuss the applicable regulations PREPA is requesting to ensure full compliance</p>
3	<p>Units shall have the capacity to operate as isolated generating units or synchronized with other units connected to the electrical grid</p> <p>Siemens confirms that units will have the capacity to operate as isolated generating units or synchronized with other units connected to the electrical grid. The synchronizer has capacity to do island or parallel grid as a basic function.</p> <p>Please see attached document in folder "01 Gas Turbines and Balance of Plant" under "Question #3"</p> <p>08 E1B100060909-SGT-A45 WLE DF LOGIC FLOW DIAGRAM E.A153.01.pdf (see Page 25-27 for Generator operation. See page 27 for island/parallel to grid mode, the generator operation). See Page 32 for paralleling to the grid mode, for tracking MW demand).</p> <p>10 SGT-A45 generator philosophy document GED00371479_r00.pdf (see page 5, section 5.3.1 Operating Requirements i.e. 5.3.1.2 The generator shall operate in Grid, Island and Load Share modes.)</p> <p>11 AC GENERATOR OPERATION MANUAL SDD E1B100060368_Vol 3.pdf (see page 19)</p>

Unrestricted

	Siemens confirms that the units will have remote, new, separate HMI's complete with all logic/control functions and capabilities to allow full operation of the units and their BOP from the remote control room trailers.	Siemens confirms that the units will have remote, new, separate HMI's complete with all logic/control functions and capabilities to allow full operation of the units and their BOP from the remote control room trailers.
4	Remote, new, separate HMI's complete with all logic/control functions and capabilities to allow full operation of the units and their BOP from the remote control room trailers. Minimum of two HMI monitors per mobile turbine package shall be installed inside the remote control room. All necessary control system software shall be installed and fully operational on said HMI's	Siemens confirms that minimum of two HMI monitors per mobile turbine package will be installed inside the remote control room. Siemens confirms all necessary control system software will be installed and fully operational on said HMI's. Please see attached documents in folder "01 Gas Turbines and Balance of Plant" under "Question #4" 12 A45 HMI SCREEN E1B100068352_B_merge.pdf (the screen shot of HMI is provided in this document for reference on all logic/control functions from HMI)
5	Each unit shall be suited for remote communication to PREPA's Energy Control Center	Siemens confirms that each unit will be suited for remote communication to PREPA's Energy Control Center Siemens can accommodate different types of remote communication to PREPA DCS. PREPA and Siemens to discuss what type of communication needed from/to DCS to Siemens control system (i.e. modbus tcp/ip, modbus serial, opc communication, etc)
6	Centrifugal and coalescer fuel filters	Siemens confirms that the forwarding fuel system meets or exceeds the requirements. Please see attached document in folder "01 Gas Turbines and Balance of Plant" under "Question #6" 03. Final Siemens SGT-A45 Scope of Supply Rev 1.pdf, Section 2 page 8 & 11, Liquid Fuel Treatment System and 04. Black Start Generator
7	A new, black start power generation system per unit shall be provided with 100% black start capability	Siemens confirms that a new black start power generation system per unit will be provided with a 100% capability. Please see attached document in folder "01 Gas Turbines and Balance of Plant" under "Question #7" 03. Final Siemens SGT-A45 Scope of Supply Rev 1.pdf, Section 2 page 10, Plant Miscellaneous Electrical 04. Black Start Generator
8	A fuel forwarding portable skid per unit shall be provided. Each skid shall include a 100% capacity operating pump and a 100% standby pump	Siemens confirms a fuel forwarding skid per unit will be provided. Each skid will be included a 100% capacity operating pump and a 100% standby pump. Please see attached document in folder "01 Gas Turbines and Balance of Plant" under "Question #8" 03. Final Siemens SGT-A45 Scope of Supply Rev 1.pdf, Section 2 page 9&10 (pictures)
9	Proposal shall include performance and operation curves, emissions rate for each type of fuel, sound rates in dB. Manufacturer shall guarantee performance and emissions based on each fuel type. Emissions shall be warranted by manufacturer	Siemens Proposal includes performance and operation curves, emissions rate for each type of fuel, sound rates in dB. Siemens Siemens proposal guaranteed performance and emissions based on each fuel type. Please see attached documents in folder "01 Gas Turbines and Balance of Plant" under "Question #9" 01 SGT-A45 with and without water, Gas and Diesel Performance Curve 06 Gas Turbine Performance Guarantee and Emission Guarantee (pages 2&3) 07 Acoustical Data Sheet 22 Gas Turbine Power Curve and Heat Curve (Dry, 70% RH)


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10	Proposal shall include site-specific recommended maintenance/inspection intervals for each type of fuel (Distillate No.2/Diesel and NG). If adjustments to each or every 60-minute real time hour is applied to the maintenance/inspection interval hourly counter, Contractor shall provide said adjustment formula with corresponding variable and/or fixed inputs from the OEM	<p>Siemens confirms that recommended maintenance/inspection intervals for each type of fuel (Distillate No.2/Diesel and NG) has been included in the proposal. Please see attached document in folder "01 Gas Turbines and Balance of Plant" under "Question #10"</p> <p>14 Annex 2 - Preventive Maintenance Plan SGT A-45.pdf (see page 1)</p> <p>SGT A45 Mobile Unit schedule maintenance plan is composed of yearly A inspections, 25,000 hour B inspections for both diesel and gas fuel according to the maintenance plan and outage schedule information shown in the O&M Technical Proposal, Annex 2 "SGT A-45 Preventive Maintenance Plan".</p> <p>The recommended B Class inspection at 25k hours is achievable using fuel compliance with Siemens' specification. Siemens recommended maintenance and inspection interval is contingent upon Customers ability to meet Siemens fuel specification requirements.</p> <p>Adjustments to "each and every 60 minute real-time hour applied to the maintenance/inspection interval hourly counter" is not applicable for Siemens gas turbine SGT-A45.</p>
11	Trailer housing shall be weather resistant, acoustic, coated aluminum	<p>Siemens confirms that trailer housing will be suitable for weather resistant, coastal environment and meet acoustical requirements.</p> <p>Please see attached documents in folder "01 Gas Turbines and Balance of Plant" under "Question #11"</p> <p>13 GER 0284 REV. 0 Painting Specification.pdf (The painting follows the Siemens Standard GER 0284, and uses the B-15 paint system per Table 6 in page number 15, which is specifically for coastal environments)</p> <p>The SGT-A45 Mobile Unit uses a majority of its rotatives from the SGT-A45 gas turbine which has close to 2 million hours of commercial experience, of which over 1.2 million accumulated in Industrial Power Generation.</p> <p>Please see attached document in folder "01 Gas Turbines and Balance of Plant" under "Question #12"</p> <p>18 SGT-A45 Experience.pdf</p>
12	The Proponent shall furnish documentation showing that the proposed equipment has been commercially demonstrated and provide an experience list of similar model projects	
GT's Protection System		
1	Protective Relay Study and its settings for the proposed mobile power system	<p>Siemens has already performed the protective relay study for Siemens mobile power system and loaded / tested the settings into the protection relay (G60 Relay) installed on Siemens equipment.</p> <p>Please see attached document in folder "02 GT's Protection System, Question #1"</p> <p>19 G60_SW Energy Solutions Inc ST 50Hz Project REV2 ~Gain, section 5, System Description, page 5,</p>
2	Mobile power system protective relay settings criteria	<p>Siemens have already performed the protective relay study for mobile power system and loaded / tested the settings into the protection relay (G60 Relay) installed on Siemens equipment which meets the relay study criteria for the protection of the generator.</p> <p>Please see attached document in folder "02 GT's Protection System, Question #2"</p> <p>19 G60_SW Energy Solutions Inc ST 50Hz Project REV2 ~Gain,</p>
3	Grant access to PREPA to protective relay events	<p>PREPA will have a communication port on Siemens protection relay to download / view the events.</p> <p>The below link provides access to G60 Generator Protection Relay Manuals which display the communication port and event description.</p> <p>Link: https://www.gegridisolutions.com/app/ViewFiles.aspx?prod=urfamil&type=7&test=yes</p>

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4	Access to mobile power system proprietary software/program to allow communication with relays	Software to allow communication with Siemens G60 protection relay is free of charge and downloadable from the Internet link below. Link: https://www.gegridolutions.com/app/ViewFiles.aspx?prod=urfamil&type=7&test=yes
5	Mobile power system generator data sheet	Please see attached documents in folder "02 GT's Protection System" under "Question #5" 20 BRUSH AC GENERATOR DATASHEET 927755A2_7P_data.pdf
6	Protective relay single line diagram for the integration to PREPA's protection system. Such single line diagram shall be discussed with and approved by PREPA's Electrical Maintenance and Electrical System Protection Division	Siemens provides the Single Line Diagram in the attached document that shows the interfaces with PREPA. Please see attached documents in folder "02 GT's Protection System" under "Question #6" 15 106-E-100-02RC for PREPA 1-Unit site.pdf 16 106-E-100-03RC for PREPA 2-Unit site.pdf
7	Current Transformers (CT's) associated to the protection shall be protection class and shall comply with the applicable latest standards (Ratio, accuracy, connection)	Siemens confirms that protection current transformers are protection class and meets the applicable standards. CT's are listed in the one sing line diagram provided below. Please see attached documents in folder "02 GT's Protection System" under "Question #7" 15 106-E-100-02RC for PREPA 1-Unit site.pdf 16 106-E-100-03RC for PREPA 2-Unit site.pdf
Technical Advisor		
1	A separate proposal for a Technical Advisor (TA) to mobilize and demobilize units shall be included	Please see attached document in folder "03 Technical Advisor" under "Question #1" 17 Technical Advisor Indicative Proposal.pdf
Deliverables		
1	Plans for financing, schedule, requirements and demonstration of commitments to financing. If proposal is conditioned on approval of financing, proposer must be able to demonstrate existing an achievable financing plan and provide strong commitments of financing for the project	Siemens is fully capable of providing its scope of work. Siemens will not require any external financing to perform all of its obligations. As stated in the original proposal, payment terms between Siemens and PREPA will be negotiated. However, Siemens has conditioned its offer on the availability of federal funding assistance to secure PREPA's payment obligations.
Experience and Capacity		
1	Shall provide qualifications and resumes of experienced key personnel (project manager, engineers, supervisors, etc.) of the installation subcontractor (if any) with at least five (5) years of experience in similar projects	Siemens has provided qualifications and resumes of experienced key personnel of the installation subcontractor (if any) with at least five (5) years of experience in similar projects, in the initial submission of proposal. Please see attached documents in folder "05 Experience and Capacity" under "Question #1" 21 Siemens and RPS Resumes.pdf - this shows resumes from both Siemens and RPS (Siemens' installation subcontractor).

Unrestricted

 Print this Page**Subject:** Clarificartion 82695**Date:** 10/01/18 12:42 PM (AST)**From:** Jose Robles [RG ENGINEERING, INC.]**To:** **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; JOSE CRUZ [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; MATT LEE [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; Nathan Pollak [Puerto Rico Electric Power Authority (PREPA)]; Jos   A. Roque Torres [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];**Cc:** **RG ENGINEERING, INC. Bid Team:** Jose Robles [RG ENGINEERING, INC.];**Message:**

Buenas tardes; En respuesta a su solicitud se incluye documento con informacion requerida. Saludos, Aida Rodriguez

Attachments:

<u>Description</u>	<u>File Name</u>	<u>Type</u>	<u>Date</u>	<u>Submittals</u>
82695 RG	att_RFP-	Message	10/01/18	
ENGINEERING	82695_Request_for_Clarification_Response_Final.pdf	Attachment		
CLARIFICATION				

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 Print this Page**Subject: Request for Information/Clarification****Date:** 09/12/18 08:02 PM (AST)**From:** Alexander Johnson [Siemens Energy, Inc]**To:** **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; JOSE CRUZ [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; MATT LEE [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; Nathan Pollak [Puerto Rico Electric Power Authority (PREPA)]; JosÃ© A. Roque Torres [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];**Cc:** **Siemens Energy, Inc Bid Team:** Alexander Johnson [Siemens Energy, Inc]; William Stefurak [Siemens Energy, Inc];**Message:**

Please see attache document or Request for Information/Clarification. Regards,

Attachments:

<u>Description</u>	<u>File Name</u>	<u>Type</u>	<u>Date</u>	<u>Submittals</u>
Siemens Request for Information/Clarification	att_PREPA_RFP_82695_-_Siemens_Request_for_Information__Clarifications.docx	Message Attachment	09/12/18	

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GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority

September 27, 2018

Siemens Energy, Inc.

Request for Clarification - RFP 82695 Mobile Generation Units

The information below is required for the Scope of Work of the event of reference. PREPA requires the following information to be provided, clarified, or identified in the section that can be found in the proposal submitted. Please provide your answer on or before October 1, 2018 at 1:00pm (AST).

Gas Turbines and Balance of Plant

1. Dual fuel, with the installed capability to burn Distillate #2 diesel and natural gas (NG), either as a primary fuel. A third fuel provision is not required but may be acceptable. Shall be provided with all mechanical, electrical, and logic/control operating functions to switch from one fuel to the other without any modifications.
2. Units shall have the provisions to operate with and without water or steam injection. Contractor shall warranty compliance with current local, state and federal regulations.
3. Units shall have the capacity to operate as isolated generating units or synchronized with other units connected to the electrical grid.
4. Remote, new, separate HMI's complete with all logic/control functions and capabilities to allow full operation of the units and their BOP from the remote control room trailers. Minimum of two HMI monitors per mobile turbine package shall be installed inside the remote control rooms. All necessary control system software shall be installed and fully operational on said HMI's.
5. Each unit shall be suited for remote communication to PREPA's Energy Control Center.
6. Centrifugal and coalescer fuel filters.
7. A new, black start power generation system per unit shall be provided with 100% black start capability.
8. A fuel forwarding portable skid per unit shall be provided. Each skid shall include a 100% capacity operating pump and a 100% standby pump.



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AEE_1908

9. Proposal shall include performance and operation curves, emissions rate for each type of fuel, sound rates in dB. Manufacturer shall guarantee performance and emissions based on each fuel type. Emissions shall be warranted by manufacturer.
10. Proposal shall include site-specific recommended maintenance/inspection intervals for each type of fuel (Distillate No.2/diesel and NG). If adjustments to each or every 60-minute real time hour is applied to the maintenance/inspection interval hourly counter, Contractor shall provide said adjustment formula with corresponding variable and/or fixed inputs from the OEM.
11. Trailer housing shall be weather resistant, acoustic, coated aluminum.
12. The Proponent shall furnish documentation showing that the proposed equipment has been commercially demonstrated and provide an experience list of similar model projects.

GTs Protection System

1. Protective Relay Study and its settings for the proposed mobile power system.
2. Mobile power system protective relay settings criteria.
3. Grant access to PREPA to protective relay events.
4. Access to mobile power system proprietary software/program to allow communication with relays.
5. Mobile power system generator data sheet.
6. Protective relay single line diagram for the integration to PREPA's protection system. Such single line diagram shall be discussed with and approved by PREPA's Electrical Maintenance and Electric System Protection Division.
7. Current Transformers (CTs) associated to the protection shall be protection class and shall comply with the applicable latest standards (ratio, accuracy, connection).

Technical Advisor

1. A separate proposal for a Technical Advisor (TA) to mobilize and demobilize units shall be included.

Deliverables

1. Plans for financing, schedule, requirements and demonstration of commitments to financing. If proposal is conditioned on approval of financing, proposer must be able to demonstrate existing an achievable financing plan and provide strong commitments of financing for the project

Experience and Capacity

1. Shall provide qualifications and resumes of experienced key personnel (project manager, engineers, supervisors, etc.) of the installation subcontractor (if any) with at least five (5) years of experience in similar projects.



PMB 911, P.O. Box 2500, PR, 00951
(787) -261-8644, Email: admin@argprecisionpr.com

October 1, 2018

Mrs. Natalia Martínez Lugo
Buyer – Puerto Rico Power Authority

Re: **Clarifications – Request for Clarification RFP 82695**

As requested please find below clarifications.

Gas Turbine and Balance of Plant

1. Remote, new, separate HMI's complete with all logic/control functions and capabilities to allow full operation of the units and their BOP from the remote control room trailers. Minimum of two HMI monitors per mobile turbine package shall be installed inside the remote control rooms. All necessary control system software shall be installed and fully operational on said HMI's. ***We have included in our proposal one (01) HMI for the turbine generator controls and one (01) HMI for the BOP control and monitoring.***
2. A fuel forwarding portable skid per unit shall be provided. Each skid shall include a 100% capacity operating pump and a 100% standby pump. ***We have included in our proposal one fuel forwarding pump with a capacity of 100% turbine needs and an additional one with same capacity.***
3. Proponents shall assume a distance of 1,000 ft from the units' location to the transformers connections, water connections, and fuel connection. ***Yes. Distances where assumed accordingly.***
4. Trailer housing shall be weather resistant, acoustic, coated aluminum. ***Yes, these are as requested. See page 72 of Proposal, 3rd paragraph.***
5. A minimum of one-year or 12,000 fired hours full OEM warranty, whichever occurs first, shall be included. As for Contractor's workmanship and the BOP materials and equipment, a full one-year warranty shall be provided. ***Yes, this is included for Units and BOP and we clarify that the since the year has 8,760 hrs. this will occur before the 12,000hrs.***
6. Existing equipment, materials or installations shall be properly relocated by the Contractor and reinstalled, as per instructed by PREPA. ***Will comply as per PREPA answer in item # 10 of Attachment 1, Addendum 3.***



PMB 911, P.O. Box 2500, PR, 00951
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GTs Protection System

1. Grant access to PREPA to protective relay events. **Yes, this is included**
2. Access to mobile power system proprietary software/program to allow communication with relays. **Yes, this is included**
3. Protective relay single line diagram for the integration to PREPA's protection system. Such single line diagram shall be discussed with and approved by PREPA's Electrical Maintenance and Electrical System Protection Division. **Yes, will comply accordingly.**
4. Current Transformers (CTs) associated to the protection shall be protection class and shall comply with the applicable latest standards (ratio, accuracy, connection). **Yes, will comply accordingly.**
5. At least the generator CT for unit differential protection (PREPA's transformer + proposed generator) shall be 5 Amps secondary. For example: 3000/5. **Yes, this is included**

Technical Advisor

1. A separate proposal for a Technical Advisor (TA) to mobilize and demobilize units shall be included.

	Standard Time	Overtime	Double Overtime
Field Service (TA)	\$210/hr.	\$285/hr.	\$346/hr.
PWPS Engineering Services	\$335/hr.	\$385/hr.	\$450/hr.

The following summarizes some of the key assumptions regarding the hourly rates for Field Service and PW Power Service Engineering Services: 1) Rates quoted above are based on 8 hr. workday. Additional hours will be billed at the published service rates. 2) Overtime is charged for all hours over 8 per day Monday through Friday and for all hours on Saturday and Sunday. Double time is charged for all hours worked on PWPS holidays. 3) Per diem Expenses (Living, Lodging, Transportation etc.) are not included in hourly rates.

Deliverables

1. Plans for financing, schedule, requirements and demonstration of commitments to financing. If proposal is conditioned on approval of financing, proposer must be able to demonstrate existing an achievable financing plan and provide strong commitments of financing for the project. **If PREPA should require financing for the approval of the proposal, then ARG Precision Corp through Bostonia Partners LLC are committed to offer this service, please see attached letter from and Bostonia Partners LLC. Terms and conditions of this financing arrangement should be subjected to further discussion and agreement during contract negotiation.**



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2. Operation and maintenance and technical advisor prices shall be presented separately. ***Operation and Maintenance rates are the same as above but please note that the submitted proposal included two technical advisor (TA), one for each site (Palo Seco and Yabucoa with living expenses included and 40hrs per week.***

The yearly cost of a TA using same rates plus living and transportation expenses is \$622,200. Therefore, the adjusted prices for the Operation & Maintenance (page 35 of proposal) without the technical advisors' costs are:

First 2 years – \$6,401,200; \$8,890,000- (\$622,200 X 2yrs X 2TA)

First Additional Year - \$3,335,600; \$4,580,000- (622,200 X 1yrs X 2TA)

Second Additional Year - \$3,475,600; \$4,720,000 – (622,200 X 1yrs X 2TA)

Additionally, as a way of clarification, please note that it was assumed for the proposal that PREPA required the guaranteed "net" unit output rates to include all BOP equipment. The net guaranteed unit output of units (with its OEM auxiliary equipment) but without the equipment of the BOP is:

Unit Heat Rate (diesel -LHV) of: 9,682 BTU/KW-hr

Unit Heat Rate (NG-LHV) of: 9,502 BTU/KW-hr

With nothing else to refer to,

Cordially,

Eng. Armando Rodríguez, PE
President
ARG Precision Corp



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority

September 27, 2018

ARG Precision, Corp.

Request for Clarification - RFP 82695 Mobile Generation Units

The information below is required for the Scope of Work of the event of reference. PREPA requires the following information to be provided, clarified, or identified in the section that can be found in the proposal submitted. Please provide your answer on or before October 1, 2018 at 1:00pm (AST).

Gas Turbine and Balance of Plant

1. Remote, new, separate HMI's complete with all logic/control functions and capabilities to allow full operation of the units and their BOP from the remote control room trailers. Minimum of two HMI monitors per mobile turbine package shall be installed inside the remote control rooms. All necessary control system software shall be installed and fully operational on said HMI's.
2. A fuel forwarding portable skid per unit shall be provided. Each skid shall include a 100% capacity operating pump and a 100% standby pump.
3. Proponents shall assume a distance of 1,000 ft from the units' location to the transformers connections, water connections, and fuel connection.
4. Trailer housing shall be weather resistant, acoustic, coated aluminum.
5. A minimum of one-year or 12,000 fired hours full OEM warranty, whichever occurs first, shall be included. As for Contractor's workmanship and the BOP materials and equipment, a full one-year warranty shall be provided.
6. Existing equipment, materials or installations shall be properly relocated by the Contractor and reinstalled, as per instructed by PREPA.

GTs Protection System

1. Grant access to PREPA to protective relay events.
2. Access to mobile power system proprietary software/program to allow communication with relays.
3. Protective relay single line diagram for the integration to PREPA's protection system. Such single line diagram shall be discussed with and approved by PREPA's Electrical Maintenance and Electric System Protection Division.
4. Current Transformers (CTs) associated to the protection shall be protection class and shall comply with the applicable latest standards (ratio, accuracy, connection).
5. At least the generator CT for unit differential protection (PREPA's transformer + proponent generator) shall be 5 Amps secondary. For example: 3000/5.



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AEE_1913

Technical Advisor

1. A separate proposal for a Technical Advisor (TA) to mobilize and demobilize units shall be included.

Deliverables

1. Plans for financing, schedule, requirements and demonstration of commitments to financing. If proposal is conditioned on approval of financing, proposer must be able to demonstrate existing an achievable financing plan and provide strong commitments of financing for the project.
2. ✓ Operation and maintenance and technical advisor prices shall be presented separately.

notes:

- Evaluar el precio en piezas
- Aspecto financiero

 [Print this Page](#)**Subject: Answers to Request for Information****Date:** 10/01/18 12:34 PM (AST)**From:** Armando Rodriguez [ARG Precision]**To:** **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; JOSE CRUZ [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; MATT LEE [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; Nathan Pollak [Puerto Rico Electric Power Authority (PREPA)]; Jos   A. Roque Torres [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];**Cc:** **ARG Precision Bid Team:** Armando Rodriguez [ARG Precision];**Message:**

Please see attached document with answers to Request for Information and separate letter.

Attachments:

<u>Description</u>	<u>File Name</u>	<u>Type</u>	<u>Date</u>	<u>Submittals</u>
Answers to Request for Information	att_Answers_-_Request_to_Clarifications.pdf	Message Attachment	10/01/18	
Bostonia Partners Letter	att_BP_ARG_PREPA_Mobile_Finance_Letter_093018.pdf	Message Attachment	10/01/18	

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ATTENDANCE SHEET
EVALUATION COMMITTEE
RFP 82695 MOBILE GENERATION UNITS
SEPTEMBER 28, 2018 – 1:00PM

[illegible]

REDACTED



GOBIERNO DE PUERTO RICO

Autoridad de Energía Eléctrica de Puerto Rico

REUNIÓN COMITÉ DE EVALUACIÓN RFP 82695 MOBILE GENERATION UNITS
SALÓN DE CONFERENCIAS, OFICINA PMO
28 DE SEPTIEMBRE DE 2018, 1:00PM

Presentes:

Comité de Evaluación:

José M. Cruz Pérez, Superintendente Generación
Félix A. Hernández Cabán, Abogado Ingreso
Miguel Del Valle Morales, Superintendente
Natalia Martínez Lugo, Supervisora de Compras
Jose A. Roque Torres, Tesorero
Matt Lee, Asesor de Filsinger
Maria V. Mercado Rondon, Asesor Técnico Protección Ambiental

Temas:

- *Comparison Model*
- Permisos para las unidades

Comentarios y acuerdos:

1. La licenciada Maria Mercado orientó al Comité de los permisos que serán requeridos dependiendo del uso que se le dará a las unidades. El personal de Generación indico al Comité que dicha información no afecta el proceso de evaluación de las propuestas.
2. Con la información provista por los proponentes, Matt Lee realizó los modelos de comparación para el uso de los equipo por 500 horas y un *base case* para cada uno de los proponentes y explicó los resultados.

Culminamos la reunión a las 4:30pm.



Mobile Generation Comparison Model									
Bid Proposal by Pratt & Whitney									
KEY RESULTS AND ASSUMPTIONS									
Strictly proprietary & confidential 4-Oct-18									
Project Summary			Project Results			Sensitivities			
Proponent/Bidder	Pratt & Whitney	2019	PREPA Discount Rate	8.0%	Dev + EPC-related Capital Costs	0%			
Project Initiation		20	PREPA WACC	8.0%	Operations & Maintenance	0%			
Evaluation Term (<=50)			Net Present Value	NPV	Major Maintenance Costs	0%			
Net Capacity		22,500	Equivalent Uniform Annualized Cost	EUAC					
			LOOE \$/kWhr (2018\$)	See Eval Tab					
(Changeable inputs shown in blue font)									
Project Assumptions									
Operating Assumptions									
Project Initiation	Year	2019	Capital Cost						
Refurbish Alternative			Initiate & Develop						
Capacity Factor	%	5.3%	Purchase Price	Cost					
Availability	%	95.0%	Spare Parts	\$					
Annual Starts		50	Commissioning/Startup	\$					
Heatrate	Btu/kWhr	9,758	Subtotal-CapEx	\$					
Fuel Heat Content	Btu/gal	139,000	Major Maintenance	Cost					
Fuel Costs	\$/bbl	\$94.75	Maintenance Intervals						
			Gas Gen Hot Section Inspection						
			Major Shop Inspection						
			Major Overhaul (Class C)						
			Maintenance Category 4						
			Maintenance Category 5						
Financial Parameters									
Escalation									
First Year	2018								
Operations & Maintenance	2.5%								
Major Maintenance	2.5%								
Fuel	2.5%								
Revenue	2.5%								
Weighted Avg Cost of Capital	8.0%								
				Units/Notes	Cost				

Drop List
Yes
No

Mobile Generation Comparison Model									
Bid Proposal by Pratt & Whitney									
KEY RESULTS AND ASSUMPTIONS									
Project Summary		Pratt & Whitney		Project Results		Sensitivities		4-Oct-18	
Proprietor/Bidder		2019		PREPA Discount Rate		8.0%	Dev + EPC-related Capital Costs		0%
Project Initiation		20		PREPA WACC		8.0%	Operations & Maintenance		0%
Evaluation Term (<=50)		22,593		Net Present Value	NPV		Major Maintenance Costs		0%
Net Capacity				Equivalent Uniform Annualized Cost	EUAC				
				LCOE \$/kWhr (2018\$)	See Eval Tab				
(Changeable inputs shown in blue font)									
Operating Assumptions		Capital Cost		Units/Notes		Cost		Escalation?	
Project Initiation	Year	2019		Initiate & Develop					
Refurbish Alternative	Capacity Factor	25.0%		Purchase Price					
Availability	%	95.0%		Spare Parts					
Annual Starts		50		Commissioning/Startup					
Heatrate	Btu/kWhr	9,759		Subtotal-CapEx					
Fuel Heat Content	Btu/lb	139,000							
Fuel Costs	\$/bbl	\$94.75							
				Major Maintenance					
				Maintenance Intervals					
				Gas Gen Hot Section Inspection					
				Major Shop Inspection					
				Major Overhaul (Class C)					
				Maintenance Category 4					
				Maintenance Category 5					
Financial Parameters						Cost		Major Maintenance	
Escalation	First Year	2018						Event Intervals	Hours
	Operations & Maintenance	2.5%						Gas Gen Hot Section Inspection	0
	Major Maintenance	2.5%						Major Shop Inspection	0
	Fuel	2.5%						Major Overhaul (Class C)	0
	Revenue	2.5%						Maintenance Category 4	0
	Weighted Avg Cost of Capital	8.0%						Maintenance Category 5	0
</									

Drop List
Yes
No

KEY RESULTS AND ASSUMPTIONS									
Strictly proprietary & confidential 4-Oct-18									
Project Summary		Project Results			Sensitivities				
Proprietor/Bidder	General Electric	2019	PREPA Discount Rate	8.0%	Dev + EPC-related Capital Costs	0%			
Project Initiation		20	PREPA WACC	8.0%	Operations & Maintenance	0%			
Evaluation Term (years)		28.64	Net Present Value		Major Maintenance Costs	0%			
Net Capacity			Equivalent Uniform Annualized Cost						
			LCOE \$/kWhr (2018)						
Project Assumptions		(Changeable inputs shown in blue font)							
Operating Assumptions		Capital Cost		Units/Notes		Operations & Maintenance Costs			
Project Initiation	Year	2019	Initiate & Develop		Cost	O&M Expense	Escalation?		
Refurbish Alternative	%	5.7%	Purchase Price		\$18,952,250	Year 1	No	Reburid	
Capacity Factor	%	95.0%	Spare Parts		\$0	Year 2	No	\$0,532,775	
Availability	%	50	Commissioning/Startup		\$3,114,450	Year 3	No	\$9,532,775	
Annual Starts		9,393	Subtotal-CapEx		\$20,066,700	Year 4	No	\$8,102,240	
Heatrate	Btu/kWhr	139,000	Major Maintenance			Year 5+	No	\$8,530,320	
Fuel Heat Content	Btu/gal	\$94.75	Maintenance Intervals		Cost	Major Maintenance		\$4,720,000	
Fuel Costs	\$/bbl		Hot Section Inspection		\$2,395,000	Event Intervals	Starts	Hours	
Financial Parameters			Major Inspection		\$4,800,000	Hot Section Inspection	0	0	
Escalation			Maintenance Category 3			Major Inspection	0	0	
First Year	2018		Maintenance Category 4		\$0	Maintenance Category 3	0	0	
Operations & Maintenance	2.5%		Maintenance Category 5		\$0	Maintenance Category 4	0	0	
Major Maintenance	2.5%					Maintenance Category 5	0	0	
Fuel	2.5%								
Revenue	2.5%								
Weighted Avg Cost of Capital	8.0%								

KEY RESULTS AND ASSUMPTIONS									
Strictly proprietary & confidential 4-Oct-18									
Project Summary		Project Results		Sensitivities					
Proposer/Bidder	Siemens	2019	PREPA Discount Rate	8.0%	Dev + EPC-related Capital Costs				
Project Initiation		20	PREPA WACC	8.0%	Operations & Maintenance				
Evaluation Term (≤50)		38.5	Net Present Value		Major Maintenance Costs				
Net Capacity			Equivalent Uniform Annualized Cost						
			LCOE \$/kWh (2018)						
Project Assumptions (Changeable inputs shown in blue font)									
Operating Assumptions		Capital Cost		Units/Notes		Operations & Maintenance Costs			
Project Initiation	Year	2019	Initiate & Develop.			O&M Expense	Escalation?	Rebuild	
Refurbish Alternative	%	5.7%	Purchase Price			Year 1	No		
Capacity Factor	%	95.0%	Spare Parts			Year 2	No		
Availability	%	50	Commissioning/Startup			Year 3	No		
Annual Starts		8,039	Subtotal-CapEx			Year 4	No		
Heatrate	Btu/kWh	139,000	Major Maintenance			Year 5+	No		
Fuel Heat Content	Btu/gal.	\$94.76	Maintenance Intervals						
Fuel Costs	\$/bbl								
Financial Parameters		Cost		Hours		Major Maintenance			
Escalation			Minor Inspection (Class A)			Event Intervals	Starts		
First Year			Hot Section Refurbishment (Class B)			Minor Inspection (Class A)			
Operations & Maintenance			Major Overhaul (Class C)			Hot Section Refurbishment (Class B)			
Major Maintenance			Maintenance Category 4			Major Overhaul (Class C)			
Fuel			Maintenance Category 5			Maintenance Category 4			
Revenue						Maintenance Category 5			
Weighted Avg Cost of Capital									

Drop List

Yes

No

[illegible]

Mobile Generation Comparison Model Bid Proposal by Siemens				KEY RESULTS AND ASSUMPTIONS				Strictly proprietary & confidential 4-Oct-18			
Project Summary				Project Results		Sensitivities					
Proponent/Bidder	Siemens			PREPA Discount Rate		8.0%		Dev + EPC-related Capital Costs		0%	
Project Initiation	2019			PREPA, WACC		8.0%		Operations & Maintenance		0%	
Evaluation Term (<=50)	20			Net Present Value		(52,19,674,008.21)		Major Maintenance Costs		0%	
Net Capacity	36.6			Equivalent Uniform Annualized Cost		(522,374,282.96)					
				LOOE \$/kWhr (2018\$)		See Eval Tab					
Project Assumptions				(Changeable inputs shown in blue font)							
Operating Assumptions				Capital Cost				Operations & Maintenance Costs			
Project Initiation				Initiate & Develop				O&M Expense			
Refurbish Alternative	2019			Purchase Price		Cost		Year 1		Escalation?	
Capacity Factor	25.0%			Spare Parts		\$29,881,685		Year 2		No	
Availability	95.0%			Commissioning/Startup		\$0		Year 3		No	
Annual Starts	50			Subtotal-CapEx		\$1,784,983		Year 4		No	
Heatrate	9,038					\$31,666,666		Year 5+		No	
Fuel Heat Content	139,000										
Fuel Costs	\$84.75										
Financial Parameters				Major Maintenance				Major Maintenance			
Escalation				Maintenance Intervals		Cost		Event Intervals		Starts	
First Year	2018			Minor Inspection (Class A)		\$0		Minor Inspection (Class A)		0	
Operations & Maintenance	2.5%			Hot Section Refurbishment (Class B)		\$4,725,132		Hot Section Refurbishment (Class B)		0	
Major Maintenance	2.5%			Major Overhaul (Class C)		\$0		Major Overhaul (Class C)		0	
Fuel	2.5%			Maintenance Category 4		\$0		Maintenance Category 4		0	
Revenue	2.5%			Maintenance Category 5		\$0		Maintenance Category 5		0	
Weighted Avg Cost of Capital	8.0%										

Drop List

Yes

No

Natalia Martinez Lugo

From: Natalia Martinez Lugo
Sent: Friday, September 28, 2018 9:45 AM
To: 'Maria V Mercado Rondon'
Cc: Luisette X Ríos Castañer; 'EDGARDO DIAZ REYES'; Delis Tamara Zambrana Colon
Subject: NDA RFP 82695 Mobile Generation Units
Attachments: NDA RFP Mobile Generation Units.doc

Buenos días

El 6 de septiembre de 2018, iniciamos un proceso de Solicitud de Propuestas (RFP, por sus siglas en ingles) para la adquisición de equipos de generación portátil.

Como parte del proceso del RFP, el Director Ejecutivo, José F. Ortiz Vazquez, designó el Comité Evaluador (Comité) que será responsable de evaluar, negociar y recomendar a la empresa seleccionada. Además, preparara informes y recomendará la propuesta que ofrezca los mejores resultados y soluciones para la Autoridad. Según establece en la Guía para procesos de adquisición de bienes y servicios a través de Solicitud de Propuestas (RFP, por sus siglas en inglés) en la Sección 3 – Comité o Equipo Evaluador, Inciso 3.5 Asesores de la Autoridad y del Comité o Equipo Evaluador. " El Jefe de la División de Suministros podrá nombrar empleados de la Autoridad o contratar consultores, asesores o agentes para asistir a la Autoridad y al Comité en la evaluación de las Propuestas... o proveer cual otra asistencia que se estime necesaria..."

Por lo antes expuesto, le notificamos que para el evento de referencia el Jefe de la División de Suministros, Edgardo Díaz Reyes, la nombró como asesora del Comité de Evaluación para asistirnos en el aspecto ambiental del proyecto.

Interesamos saber si está disponible para participar de una reunión hoy con el Comité a la 1:00pm en el Salón de Conferencia, Oficina PMO. En adición, incluimos Acuerdo de Confidencialidad para ser completado.

De tener alguna duda al respecto, favor dejarnos saber.



Natalia Martínez Lugo
Supervisora de Compras
División de Suministros
e-mail: natalia.martinez@aeep.com
787.521.1394

La información transmitida es para uso solamente de la persona o entidad a la cual es dirigida y puede contener material confidencial y/o privilegiado. Cualquier revisión, retransmisión, disseminación u otro uso o cualquier acción tomada relacionada a ésta por personas o entidades que no sean a quien va dirigida está estrictamente prohibido. Si por error usted recibe esta información, favor de contactar al remitente y borrar el material de su computadora.

The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking of any

Natalia Martinez Lugo

From: EDGARDO DIAZ REYES
Sent: Thursday, September 27, 2018 11:57 AM
To: Natalia Martinez Lugo
Cc: Delis Tamara Zambrana Colon
Subject: Re: ASESORES COMITES DE EVALUACION

Buen día Natalia

Estamos de acuerdo con que se incluya a Maria Mercado y a Matt Lee como asesores para este proceso.

Edgardo Diaz
Jefe de Suministros

Sent from my iPhone

On Sep 27, 2018, at 8:00 AM, Natalia Martinez Lugo <NATALIA.MARTINEZ@prepa.com> wrote:

Buenos días

El Comité Evaluador para el RFP 82695 Mobile Generation interesa contar con los siguientes asesores para el proceso de evaluación:

Maria V. Mercado Rondon, Asesora Técnica de Planificación y Protección Ambiental
Matt Lee, Asesor de Filsinger Energy Partners

Agradeceremos se nos autorice dichos nombramientos. De necesitar información adicional, favor dejarnos saber.

<image001.png>

Natalia Martínez Lugo
Purchasing Supervisor
Materials Management Division
e-mail: natalia.martinez@aeepr.com
787.521.1394

La información transmitida es para uso solamente de la persona o entidad a la cual es dirigida y puede contener material confidencial y/o privilegiado. Cualquier revisión, retransmisión, disseminación u otro uso o cualquier acción tomada relacionada a ésta por personas o entidades que no sean a quien va dirigida está estrictamente prohibido. Si por error usted recibe esta información, favor de contactar al remitente y borrar el material de su computadora.



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority

September 27, 2018

Siemens Energy, Inc.

Request for Clarification - RFP 82695 Mobile Generation Units

The information below is required for the Scope of Work of the event of reference. PREPA requires the following information to be provided, clarified, or identified in the section that can be found in the proposal submitted. Please provide your answer on or before October 1, 2018 at 1:00pm (AST).

Gas Turbines and Balance of Plant

1. Dual fuel, with the installed capability to burn Distillate #2 diesel and natural gas (NG), either as a primary fuel. A third fuel provision is not required but may be acceptable. Shall be provided with all mechanical, electrical, and logic/control operating functions to switch from one fuel to the other without any modifications.
2. Units shall have the provisions to operate with and without water or steam injection. Contractor shall warranty compliance with current local, state and federal regulations.
3. Units shall have the capacity to operate as isolated generating units or synchronized with other units connected to the electrical grid.
4. Remote, new, separate HMI's complete with all logic/control functions and capabilities to allow full operation of the units and their BOP from the remote control room trailers. Minimum of two HMI monitors per mobile turbine package shall be installed inside the remote control rooms. All necessary control system software shall be installed and fully operational on said HMI's.
5. Each unit shall be suited for remote communication to PREPA's Energy Control Center.
6. Centrifugal and coalescer fuel filters.
7. A new, black start power generation system per unit shall be provided with 100% black start capability.
8. A fuel forwarding portable skid per unit shall be provided. Each skid shall include a 100% capacity operating pump and a 100% standby pump.



PO Box 364267 San Juan, Puerto Rico 00936-4267

9. Proposal shall include performance and operation curves, emissions rate for each type of fuel, sound rates in dB. Manufacturer shall guarantee performance and emissions based on each fuel type. Emissions shall be warranted by manufacturer.
10. Proposal shall include site-specific recommended maintenance/inspection intervals for each type of fuel (Distillate No.2/diesel and NG). If adjustments to each or every 60-minute real time hour is applied to the maintenance/inspection interval hourly counter, Contractor shall provide said adjustment formula with corresponding variable and/or fixed inputs from the OEM.
11. Trailer housing shall be weather resistant, acoustic, coated aluminum.
12. The Proponent shall furnish documentation showing that the proposed equipment has been commercially demonstrated and provide an experience list of similar model projects.

GTs Protection System

1. Protective Relay Study and its settings for the proposed mobile power system.
2. Mobile power system protective relay settings criteria.
3. Grant access to PREPA to protective relay events.
4. Access to mobile power system proprietary software/program to allow communication with relays.
5. Mobile power system generator data sheet.
6. Protective relay single line diagram for the integration to PREPA's protection system. Such single line diagram shall be discussed with and approved by PREPA's Electrical Maintenance and Electric System Protection Division.
7. Current Transformers (CTs) associated to the protection shall be protection class and shall comply with the applicable latest standards (ratio, accuracy, connection).

Technical Advisor

1. A separate proposal for a Technical Advisor (TA) to mobilize and demobilize units shall be included.

Deliverables

1. Plans for financing, schedule, requirements and demonstration of commitments to financing. If proposal is conditioned on approval of financing, proposer must be able to demonstrate existing an achievable financing plan and provide strong commitments of financing for the project

Experience and Capacity

1. Shall provide qualifications and resumes of experienced key personnel (project manager, engineers, supervisors, etc.) of the installation subcontractor (if any) with at least five (5) years of experience in similar projects.



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority

September 27, 2018

RG Engineering, Inc.

Request for Clarification - RFP 82695 Mobile Generation Units

The information below is required for the Scope of Work of the event of reference. PREPA requires the following information to be provided, clarified, or identified in the section that can be found in the proposal submitted. Please provide your answer on or before October 1, 2018 at 1:00pm (AST).

Gas Turbines and Balance of Plant

1. Units shall have the capacity to operate as isolated generating units or synchronized with other units connected to the electrical grid.
2. Custom, separate remote control room shall be provided by means of a new mobile office trailer at each site (one (1) at Yabucoa and one (1) at Palo Seco). Custom trailer shall be complete with mobile capabilities, internal working area no less than 22-foot long and 10-foot wide, including air conditioning as per comfort standards, windows, two doors, and a partitioned office area.
3. Each unit shall be suited for remote communication to PREPA's Energy Control Center.
4. A new, black start power generation system per unit shall be provided with 100% black start capability.
5. Proposal shall include site-specific recommended maintenance/inspection intervals for each type of fuel (Distillate No.2/diesel and NG). If adjustments to each or every 60-minute real time hour is applied to the maintenance/inspection interval hourly counter, Contractor shall provide said adjustment formula with corresponding variable and/or fixed inputs from the OEM.
6. Trailer housing shall be weather resistant, acoustic, coated aluminum.
7. Existing equipment, materials or installations shall be properly relocated by the Contractor and reinstalled, as per instructed by PREPA.



PO Box 364267 San Juan, Puerto Rico 00936-4267

GTs Protection System

1. Protective Relay Study and its settings for the proposed mobile power system.
2. Grant access to PREPA to protective relay events.
3. Access to mobile power system proprietary software/program to allow communication with relays.
4. Mobile power system generator data sheet.
5. Protective relay single line diagram for the integration to PREPA's protection system. Such single line diagram shall be discussed with and approved by PREPA's Electrical Maintenance and Electric System Protection Division.

Operation and Maintenance (O&M)

1. Shall be all inclusive including furnishing and maintaining an adequate inventory of all spare parts throughout the duration of the agreement. Shall arrange for storage of all spare parts during the term of the O&M services in an appropriate environment to maintain the spare parts in a new condition.
2. Plans for financing, schedule, requirements and demonstration of commitments to financing. If proposal is conditioned on approval of financing, proposer must be able to demonstrate existing an achievable financing plan and provide strong commitments of financing for the project



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority

September 27, 2018

ARG Precision, Corp.

Request for Clarification - RFP 82695 Mobile Generation Units

The information below is required for the Scope of Work of the event of reference. PREPA requires the following information to be provided, clarified, or identified in the section that can be found in the proposal submitted. Please provide your answer on or before October 1, 2018 at 1:00pm (AST).

Gas Turbine and Balance of Plant

1. Remote, new, separate HMI's complete with all logic/control functions and capabilities to allow full operation of the units and their BOP from the remote control room trailers. Minimum of two HMI monitors per mobile turbine package shall be installed inside the remote control rooms. All necessary control system software shall be installed and fully operational on said HMI's.
2. A fuel forwarding portable skid per unit shall be provided. Each skid shall include a 100% capacity operating pump and a 100% standby pump.
3. Proponents shall assume a distance of 1,000 ft from the units' location to the transformers connections, water connections, and fuel connection.
4. Trailer housing shall be weather resistant, acoustic, coated aluminum.
5. A minimum of one-year or 12,000 fired hours full OEM warranty, whichever occurs first, shall be included. As for Contractor's workmanship and the BOP materials and equipment, a full one-year warranty shall be provided.
6. Existing equipment, materials or installations shall be properly relocated by the Contractor and reinstalled, as per instructed by PREPA.

GTs Protection System

1. Grant access to PREPA to protective relay events.
2. Access to mobile power system proprietary software/program to allow communication with relays.
3. Protective relay single line diagram for the integration to PREPA's protection system. Such single line diagram shall be discussed with and approved by PREPA's Electrical Maintenance and Electric System Protection Division.
4. Current Transformers (CTs) associated to the protection shall be protection class and shall comply with the applicable latest standards (ratio, accuracy, connection).
5. At least the generator CT for unit differential protection (PREPA's transformer + proponent generator) shall be 5 Amps secondary. For example: 3000/5.



Technical Advisor

1. A separate proposal for a Technical Advisor (TA) to mobilize and demobilize units shall be included.

Deliverables

1. Plans for financing, schedule, requirements and demonstration of commitments to financing. If proposal is conditioned on approval of financing, proposer must be able to demonstrate existing an achievable financing plan and provide strong commitments of financing for the project.
2. Operation and maintenance and technical advisor prices shall be presented separately.



GOVERNMENT OF PUERTO RICO
Puerto Rico Electric Power Authority

**ATTENDANCE SHEET
EVALUATION COMMITTEE
RFP 82695 MOBILE GENERATION UNITS
SEPTEMBER 27, 2018 – 1:00PM**

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REDACTED



GOBIERNO DE PUERTO RICO
Autoridad de Energía Eléctrica de Puerto Rico

REUNIÓN COMITÉ DE EVALUACIÓN RFP 82695 MOBILE GENERATION UNITS
SALÓN DE CONFERENCIAS, OFICINA PMO
27 DE SEPTIEMBRE DE 2018, 1:30PM

Presentes:

Comité de Evaluación:

José M. Cruz Pérez, Superintendente Generación
Félix A. Hernandez Cabán, Abogado Ingreso
Miguel Del Valle Morales, Superintendente
Natalia Martínez Lugo, Supervisora de Compras
Jose A. Roque Torres, Tesorero

Temas:

Continuación proceso de evaluación propuestas de RG Engineering y Siemens

Comentarios y acuerdos:

1. Se continuó con el proceso de evaluación de las propuestas presentadas por RG Engineering, representante de General Electric y posteriormente con la propuesta de Siemens. Jose M. Cruz identificó dónde en la propuesta de RG Engineering, Inc. se encuentran la información requerida en el RFP.
2. Durante el proceso de evaluación de la propuesta de RG Engineering se identificaron los siguientes requerimientos del RFP que necesitan aclaración por parte del proponente:

Gas Turbines and Balance of Plant

1. Units shall have the capacity to operate as isolated generating units or synchronized with other units connected to the electrical grid.



Apartado 364267 San Juan, Puerto Rico 00936-4267

2. Custom, separate remote control room shall be provided by means of a new mobile office trailer at each site (one (1) at Yabucoa and one (1) at Palo Seco). Custom trailer shall be complete with mobile capabilities, internal working area no less than 22-foot long and 10-foot wide, including air conditioning as per comfort standards, windows, two doors, and a partitioned office area.
3. Each unit shall be suited for remote communication to PREPA's Energy Control Center.
4. A new, black start power generation system per unit shall be provided with 100% black start capability.
5. Proposal shall include site-specific recommended maintenance/inspection intervals for each type of fuel (Distillate No.2/diesel and NG). If adjustments to each or every 60-minute real time hour is applied to the maintenance/inspection interval hourly counter, Contractor shall provide said adjustment formula with corresponding variable and/or fixed inputs from the OEM.
6. Trailer housing shall be weather resistant, acoustic, coated aluminum.
7. Existing equipment, materials or installations shall be properly relocated by the Contractor and reinstalled, as per instructed by PREPA.

GTs Protection System

1. Protective Relay Study and its settings for the proposed mobile power system.
2. Grant access to PREPA to protective relay events.
3. Access to mobile power system proprietary software/program to allow communication with relays.
4. Mobile power system generator data sheet.
5. Protective relay single line diagram for the integration to PREPA's protection system. Such single line diagram shall be discussed with and approved by PREPA's Electrical Maintenance and Electric System Protection Division.

Operation and Maintenance (O&M)

1. Shall be all inclusive including furnishing and maintaining an adequate inventory of all spare parts throughout the duration of the agreement. Shall arrange for storage of all spare parts during the term of the O&M services in an appropriate environment to maintain the spare parts in a new condition.
2. Plans for financing, schedule, requirements and demonstration of commitments to financing. If proposal is conditioned on approval of financing, proposer must be able to demonstrate existing an achievable financing plan and provide strong commitments of financing for the project

3. Durante el proceso de evaluación de la propuesta de Siemens se identificaron los siguientes requerimientos del RFP que necesitan aclaración por parte del proponente:

Gas Turbines and Balance of Plant

1. Dual fuel, with the installed capability to burn Distillate #2 diesel and natural gas (NG), either as a primary fuel. A third fuel provision is not required but may be acceptable. Shall be provided with all mechanical, electrical, and logic/control operating functions to switch from one fuel to the other without any modifications.
2. Units shall have the provisions to operate with and without water or steam injection. Contractor shall warranty compliance with current local, state and federal regulations.
3. Units shall have the capacity to operate as isolated generating units or synchronized with other units connected to the electrical grid.
4. Remote, new, separate HMI's complete with all logic/control functions and capabilities to allow full operation of the units and their BOP from the remote control room trailers. Minimum of two HMI monitors per mobile turbine package shall be installed inside the remote control rooms. All necessary control system software shall be installed and fully operational on said HMI's.
5. Each unit shall be suited for remote communication to PREPA's Energy Control Center.
6. Centrifugal and coalescer fuel filters.
7. A new, black start power generation system per unit shall be provided with 100% black start capability.
8. A fuel forwarding portable skid per unit shall be provided. Each skid shall include a 100% capacity operating pump and a 100% standby pump.
9. Proposal shall include performance and operation curves, emissions rate for each type of fuel, sound rates in dB. Manufacturer shall guarantee performance and emissions based on each fuel type. Emissions shall be warranted by manufacturer.
10. Proposal shall include site-specific recommended maintenance/inspection intervals for each type of fuel (Distillate No.2/diesel and NG). If adjustments to each or every 60-minute real time hour is applied to the maintenance/inspection interval hourly counter, Contractor shall provide said adjustment formula with corresponding variable and/or fixed inputs from the OEM.
11. Trailer housing shall be weather resistant, acoustic, coated aluminum.
12. The Proponent shall furnish documentation showing that the proposed equipment has been commercially demonstrated and provide an experience list of similar model projects.

GTs Protection System

1. Protective Relay Study and its settings for the proposed mobile power system.
2. Mobile power system protective relay settings criteria.
3. Grant access to PREPA to protective relay events.
4. Access to mobile power system proprietary software/program to allow communication with relays.
5. Mobile power system generator data sheet.
6. Protective relay single line diagram for the integration to PREPA's protection system. Such single line diagram shall be discussed with and approved by PREPA's Electrical Maintenance and Electric System Protection Division.
7. Current Transformers (CTs) associated to the protection shall be protection class and shall comply with the applicable latest standards (ratio, accuracy, connection).

Technical Advisor

1. A separate proposal for a Technical Advisor (TA) to mobilize and demobilize units shall be included.

Deliverables

1. Plans for financing, schedule, requirements and demonstration of commitments to financing. If proposal is conditioned on approval of financing, proposer must be able to demonstrate existing an achievable financing plan and provide strong commitments of financing for the project

Experience and Capacity

1. Shall provide qualifications and resumes of experienced key personnel (project manager, engineers, supervisors, etc.) of the installation subcontractor (if any) with at least five (5) years of experience in similar projects.
4. Se acordó realizar la solicitud de clarificación a todos los proponentes con fecha límite del 1 de octubre de 2018 en o antes de la 1:00pm.

La reunión culminó a las 6:00 pm.



GOVERNMENT OF PUERTO RICO
Puerto Rico Electric Power Authority

ATTENDANCE SHEET
EVALUATION COMMITTEE
RFP 82695 MOBILE GENERATION UNITS
SEPTEMBER 26, 2018 – 2:00PM

NAME	COMPANY OR DEPARTMENT	EMAIL	PHONE
José A. Roque Torres	PREPA - Finance	jroque@prepa.com	REDACTED
Natalia Martínez Lugo	PREPA - Compras	nat.luc.martinez@prepa.com	
José M. Cruz Pérez	PREPA - DIST	josecruz@prepa.com	
Felix A. Hernandez Ceballos	PREPA - Legal	Felix.Hernandez@prepa.com	
Miguel Delville	PREPA - Ingeniería	miguel.delville@prepa.com	
MATT CER	FEL	MATT@FEL.org.com	



GOBIERNO DE PUERTO RICO
Autoridad de Energía Eléctrica de Puerto Rico

REUNIÓN COMITÉ DE EVALUACIÓN RFP 82695 MOBILE GENERATION UNITS
SALÓN DE CONFERENCIAS, OFICINA PMO
26 DE SEPTIEMBRE DE 2018, 2:00PM

Presentes:

Comité de Evaluación:

Jose A. Roque Torres, Tesorero
José M. Cruz Pérez, Superintendente Generación
Félix A. Hernandez Cabán, Abogado Ingreso
Miguel Del Valle Morales, Superintendente
Natalia Martínez Lugo, Supervisora de Compras

Asesores:

Matt Lee, representante de Filsinger Energy Partners

Temas:

- Se presentó el alcance de la Solicitud de Propuesta (RFP) a los miembros del Comité de Evaluación (Comité)
- Se discutió la agenda del evento y las expectativas
- Se comenzó con la evaluación de la propuesta de ARG Precision Corp. (ARG), representante de PW Power Systems, LLC. (PWPS)
- Matt Lee presentó la fórmula de evaluación de costos para evaluar las propuestas

Comentarios y acuerdos:

1. El Comité determinó que no se estará requiriendo a los proponentes presentaciones de sus propuestas. Procederemos solamente a solicitar aclaración de varios requerimientos no provistos.
2. Se determina comenzar con el proceso de evaluación con la propuesta presentada por la compañía ARG. Felix Hernandez identificó dónde en su propuesta se encuentran la información requerida en el RFP. Se confirma que continuaremos el proceso de evaluación con las dos compañías restantes el 27 de septiembre de 2018 a la 1:00pm. Las expectativas son poder finalizar las mismas en dicha reunión.



3. Durante el proceso de evaluación de la propuesta de ARG se identificaron los siguientes requerimientos del RFP que requieren aclaración por parte de ARG:

Gas Turbine and Balance of Plant

1. *Remote, new, separate HMI's complete with all logic/control functions and capabilities to allow full operation of the units and their BOP from the remote control room trailers. Minimum of two HMI monitors per mobile turbine package shall be installed inside the remote control rooms. All necessary control system software shall be installed and fully operational on said HMI's.*
2. *A fuel forwarding portable skid per unit shall be provided. Each skid shall include a 100% capacity operating pump and a 100% standby pump.*
3. *Proponents shall assume a distance of 1,000 ft from the units' location to the transformers connections, water connections, and fuel connection.*
4. *Trailer housing shall be weather resistant, acoustic, coated aluminum.*
5. *A minimum of one-year or 12,000 fired hours full OEM warranty, whichever occurs first, shall be included. As for Contractor's workmanship and the BOP materials and equipment, a full one-year warranty shall be provided.*
6. *Existing equipment, materials or installations shall be properly relocated by the Contractor and reinstalled, as per instructed by PREPA.*

GTs Protection System

1. *Grant access to PREPA to protective relay events.*
2. *Access to mobile power system proprietary software/program to allow communication with relays.*
3. *Protective relay single line diagram for the integration to PREPA's protection system. Such single line diagram shall be discussed with and approved by PREPA's Electrical Maintenance and Electric System Protection Division.*
4. *Current Transformers (CTs) associated to the protection shall be protection class and shall comply with the applicable latest standards (ratio, accuracy, connection).*
5. *At least the generator CT for unit differential protection (PREPA's transformer + proponent generator) shall be 5 Amps secondary. For example: 3000/5.*

Technical Advisor

1. *A separate proposal for a Technical Advisor (TA) to mobilize and demobilize units shall be included.*

Deliverables

1. *Plans for financing, schedule, requirements and demonstration of commitments to financing. If proposal is conditioned on approval of financing, proposer must be able to demonstrate existing an achievable financing plan and provide strong commitments of financing for the project.*
2. *Operation and maintenance and technical advisor prices shall be presented separately.*

La reunión culminó a las 6:16pm.

**ATTENDANCE SHEET
EVALUATION COMMITTEE
RFP 82695 MOBILE GENERATION UNITS
SEPTEMBER 25, 2018 – 1:00PM**

REDACTED



GOBIERNO DE PUERTO RICO

Autoridad de Energía Eléctrica de Puerto Rico

REUNIÓN COMITÉ DE EVALUACIÓN RFP 82695 MOBILE GENERATION UNITS
SALÓN DE CONFERENCIAS, OFICINA PMO
25 DE SEPTIEMBRE DE 2018, 1:30PM

Presentes:

Comité de Evaluación:

José M. Cruz Pérez, Superintendente Generación
Félix A. Hernández Cabán, Abogado Ingreso
Miguel Del Valle Morales, Superintendente
Natalia Martínez Lugo, Supervisora de Compras

Temas:

- Presentación Solicitud de Propuesta (RFP) 82695 Mobile Generation Units a los miembros del Comité de Evaluación (Comité).
- Agenda del evento
- Comunicaciones y responsabilidades de los miembros del Comité

Comentarios y acuerdos:

1. Comenzamos la reunión realizando la presentación del RFP 82695, proveyendo un resume de los equipos que se interesan adquirir e informando las responsabilidades como miembros del Comité.
2. Se informó las fechas claves del evento.
3. Se determinó distribuir las propuestas entre los miembros del comité para identificar los requisitos en cada una de ellas. Se distribuyeron de la siguiente manera:
 - José M. Cruz Pérez – RG Engineering, Inc.
 - Félix A. Hernández Cabán - ARG Precision, Corp.
 - Miguel Del Valle Morales, Superintendente – Siemens
 - Natalia Martínez Lugo – Siemens (Criterios de evaluación).

Revisión de las propuestas culminó a las 6:00pm



RFP 82695 MOBILE GENERATION UNITS
PERFORMANCE PROPOSAL

QUESTIONS		Siemens Energy, Inc Submitted: 09/24/2018	ARG Precision Submitted: 09/24/2018	RG ENGINEERING, INC. Submitted: 09/24/2018
Guaranteed net unit output (diesel) @ specified conditions without water or steam injection	MW	36.6	22,583	28,643
Guaranteed net unit output (NG) @ specified conditions without water or steam injection	MW	38.2	23,842	30,021
Unit minimum load for continuous operation	MW	0.0	1	Unlimited
Time from shutdown to guaranteed net unit output	minutes	6.3	10	8
Unit Heat Rate (diesel – LHV) Assume 18,646 BTU/Lb energy content @ guaranteed net unit output	BTU/KW-hr	9038.6	9,759	9,393
Unit Heat Rate (NG – LHV) Assume 21,414 BTU/Lb energy content @ guaranteed net unit output	BTU/KW-hr	8894.9	9,574	9,246
(1) If energy price varies with output, provide data related to this variation. Provide output vs. Energy Price curves if applicable.				

RFP 82695 MOBILE GENERATION
PRICE PROPOSAL

QUESTIONS		Siemens Energy, Inc Submitted: 09/24/2018	ARG Precision Submitted: 09/24/2018	RG ENGINEERING, INC. Submitted: 09/24/2018
Price-per unit (including all its BOP equipment and accessories)	unit	29,881,685 USD	17,995,708	\$16,952,250.00
Installation price per unit, with all necessary equipment, materials, labor, testing, and commissioning	unit	1,784,981 USD	1,303,458	\$3,114,450.00
Price for Operation and Maintenance as required in this document	2 years	14,948,273 USD	8,890,000	\$19,065,550.00
	first addtl year	6,116,789 USD	4,580,000	\$8,102,240.00
	second addtl year	5,418,714USD	4,720,000	\$8,530,320.00



Gobierno de Puerto Rico

Autoridad de Energía Eléctrica

24 de septiembre de 2018

Directores de Generación, Transmisión
y Distribución, Finanzas, Asuntos Jurídicos;
Administradores de Reestructuración
y Asuntos Fiscales e Innovación y
Operaciones e Infraestructura


José F. Ortiz Vázquez
Principal Oficial Ejecutivo

Designación Comité Evaluador para RFP Adquisición Generación Portátil

El 6 de septiembre de 2018, la Autoridad inició un proceso de Solicitud de Propuestas (RFP) para la adquisición de equipos de generación portátiles. El propósito es adquirir tres turbinas de combustión que puedan instalarse en lugares estratégicos y conectarse a la red de transmisión para proveer generación en caso de interrupción del sistema por causa de eventos atmosféricos. También se utilizarán durante los trabajos de reparación o reemplazo de líneas de transmisión. La capacidad de estas unidades será entre 25 MW y 40 MW y estamos en conversaciones con FEMA para el reembolso de los costos de inversión.

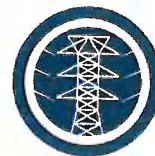
Se constituirá un Comité Evaluador, responsable de negociar, evaluar y recomendar a la empresa seleccionada, a través de un proceso transparente, que garantice proteger y salvaguardar los mejores intereses de la Autoridad. Además, preparará informes y recomendará la propuesta que ofrezca los mejores resultados y soluciones para la Autoridad. Asegurará que el proveedor seleccionado cumpla sustancialmente con las especificaciones, términos y condiciones establecidos para el RFP. Finalmente, será responsable de evaluar e informar los procesos de negociación y recomendará su determinación al Principal Oficial Ejecutivo y a la Junta de Gobierno.

Principal Oficial Ejecutivo

Apartado 364267
San Juan, Puerto Rico 00936-4267

☎ 787.521.4666

📠 787.521.4665



Para cumplir con este proceso en el plazo estipulado, al representante que se designe se le delegará tomar las decisiones para cumplir con el proceso dentro del plazo estipulado. Los funcionarios designados para participar en el Comité Evaluador son los siguientes:

- Sra. Natalia Martínez Lugo
División de Suministros
Administración de Operaciones e Infraestructura
- Ing. Miguel A. Del Valle Morales
División de Ingeniería y Servicios Técnicos
Directorado de Generación
- Ing. José M. Cruz Pérez
División de Ingeniería y Servicios Técnicos
Directorado de Generación
- Lcdo. Félix A. Hernández Cabán
Directorado de Asuntos Jurídicos
- Sr. José A. Roque Torres
Directorado de Finanzas

El Comité contará con el señor Nathan Pollak de Filsinger Energy Partners, como consultor, para asistir en las tareas de evaluación.

Estas designaciones se establecen según la Resolución 4640 de la Junta de Gobierno, aprobada el 29 de agosto de 2018. De requerir información adicional, pueden comunicarse con el señor Fernando M. Padilla, Administrador, Oficina Gestión de Proyectos e Innovación, al 1350.



GOVERNMENT OF PUERTO RICO
Puerto Rico Electric Power Authority

September 21, 2018

**Mobile Generation Units
RFP 82695**

ADDENDUM 7

This addendum notifies the following:

I. ANSWERS TO QUESTIONS

Included as Attachment 22 answers to the questions submitted.

All other terms, conditions and specifications of this RFP remain unchanged.

RFP 82695 MOBILE GENERATION
ANSWERS TO QUESTIONS

ATTACHMENT 22

#	RFP Section	Topic	RFP Language	Question	Answer
1	1.1 Art 3.1	Evaluation Criteria	PREPA will evaluate the proposals based on the lowest all-inclusive price submitted by the proponent. Part of the evaluation may include analysis of the cost assuming some level of unit dispatch. This evaluation may or may not include incorporating the cost and performance parameters in a system dispatch model to determine PREPA's least cost alternative.	In the scoring criteria with 60% of the evaluation criteria based solely on proposal price, why are you not considering power output in relative terms (\$ per MW installed) and unit heat rate (BTU/kW-hr) as part of the evaluation criteria? Background: The industry standard is to evaluate the performance (Power Output in relative terms – \$ per MW installed & Heat Rate – BTU/kW-hr) of power generation equipment because it has a direct impact in the price of the equipment & BOP, their installation and in the respective O&M. Such factors are generally considered when purchasing power generation equipment, including by PREPA in prior RFPs. For example, PREPA utilized the PREPA Specification No. 210-06106 - Technical Specification (BOD) Mayagüez Gas Turbine Replacement on the Mayagüez project which included a Life Cycle Cost Evaluation to determine the best evaluated offer for the project. By incorporating the power output in relative terms and unit heat rate parameters together with the price in the evaluation formula, PREPA could determine the evaluated least cost alternative, considering that a 1 point better efficiency could be worth approximately \$10M in fuel savings in 20 years and 1 additional MW could provide electricity to 10K more families in an emergency. Recommendation: We respectfully recommend PREPA to use a Life Cycle Cost Evaluation for the RFP 82695 - Mobile Generation Units, and, for your consideration, we have modified the evaluation formula used in the Specification No. 210-06106 to the attached document – "Adapted_LCCE_No210-06106" that can be used for this RFP.	A Levelized Cost of Energy (LCOE) calculation will be used to obtain the cost of the proposal for the Scoring Criteria ("price proposal" - 60%). The required information for the LCOE was included in Addendum 6. That information is needed just for the LCOE calculation.
2	1.1 Art 3.1	Evaluation Criteria	Approach and Methodology	Please clarify what specific documents shall the Proponents present to meet and substantial exceeds the minimum standards set by the RFP and presents the best proposal for the criteria ?	Proponents shall submit a plan in which establishes how the project will be performed, including schedule, units delivery, personnel to be assigned, etc.

3	1.1 Art 3.1	Evaluation Criteria	Compliance with all Applicable Federal, and Puerto Rico Regulations	Q1. Please advise which are the documents required to demonstrate compliance with all applicable federal and Puerto Rico regulations? Q2. Please advise how does a Proponent could prove/show its adherence to strong-ethical & integrity practices and commitment to solid administrative practices? Q3. Please advise how does a Proponent could prove/show its understanding of federal and local requirements?	Proponents shall submit a plan that includes how pretends to obtain the required permits, how will follow the safety requirements, what are the company practices in terms of integrity of its staff, etc.
4	1.1, Art 2	Training	A full O&M training shall be provided by the manufacturer to PREPA personnel (group of 10). The objective of the O&M training is to achieve full operation and maintenance capabilities of the attendees	What language is the Training to be delivered in, English or Spanish? Can PREPA provide the classroom and required facilities?	Spanish. PREPA's Training room facilities are available.
5	1.1, Art 2	Operational Profile	Proponent shall also include a separate itemized proposal that includes the pricing and terms and conditions for a two-year Operation and Maintenance (O&M) Contract, with two (2) options of one (1) additional year.	What approximate operational profile should bidder consider for the O&M phase? ~3,500 FH/YY/GT (~40% Dispatch)? When can we expect to receive this input?	Consider maintenance until 12,500 hrs inspection.
6	1.1, Art 2	Gas Turbines and Balance of Plant	Contractor shall provide and install three (3) zero-fired hours, portable gas turbines (GTs). Fixed/base load/frequency regulation of 25 to 40 MW net power output at generator terminals without water or steam injection at 85°F compressor inlet ambient temperature, 70% relative humidity at sea level inlet condition.	Are unit emissions values required with and without water injection for Nox control?	Is required for both operation scenarios, with and without water injection.
7	1.1, Art 2	Evaluation Criteria	Each mobile unit shall have a net generating capacity between 25 and 40 MW at the specified ambient conditions and shall include the necessary new, unused Balance of Plant (BOP) equipment and new, unused black start power generating system.	Can the supplied balance of plant be shared across more than one mobile generating unit at Palo Seco (fuel polishing module, PCM, BOP HMI, etc.)?	Balance of plant shall be one per unit for individual portability.
8	1.1, Art 2	GT and BOP Equipment	Requirements for, "Necessary BOP Equipment", and "dual fuel capability."	We understand that gas is not available at Palo Seco or Yabucoa. For the requested gas operation, shall we assume that PREPA provides gas at the required pressure, amount, and composition when it becomes available? If "No," please provide details behind these three parameters for provision of gas BOP fuel system purposes.	Yes

9	1.1, Art 2	GT and BOP Equipment	Remote, new, separate HMI's complete with all logic/control functions and capabilities to allow full operation of the units and their BOP from the remote control room trailers. Minimum of two HMI monitors per mobile turbine package shall be installed inside the remote control rooms. All necessary control system software shall be installed and fully operational on said HMIs.	Do we need to provide a remote HMI with two monitors for each Mobile Generating Unit or two complete remote HMIs per Mobile Generating Unit? Which BOP equipment does PREPA require monitoring for?	Each unit shall have one local and one remote HMI.
10	1.1, Art 2	GT and BOP Equipment	Centrifugal and coalescer fuel filters.	Is Centrifugal filtration a requirement? If so, is good quality potable water available for process use?	Centrifugal filtration is required. Potable city water is of good quality.
11	1.1, Art 2	Scope	Contractor shall provide all electrical, power, control and communications wiring and cables in enclosed, weatherproof cable trays or tubing as applicable, in compliance with applicable codes and standards.	Are on-ground cable trays acceptable?	Yes
12	1.1, Art 2	Scope of Services	Existing equipment, materials or installations shall be properly relocated by the contractor and reinstalled, as per instructed by PREPA.	Please clarify which equipment, material and installations PREPA is referring to. Bidders have been instructed that the existing installations will be removed and area left without obstructions for the new installations. Please clarify.	It depends on existing site conditions.
13	1.1, Art 2	Scope of Services	New language	Existing units (Previous TW2500s) where installed over compacted soil with steel plates under each jack stand. Will PREPA require concrete foundations in lieu of this arrangement?	Not necessary.
14	1.1, Art 2	Scope of Services	New language	Will PREPA require that these trailers be anchored to address wind loading from extreme ambient conditions?	Yes
15	1.1, Art 2	Scope of Services	New language	Please provide geotechnical studies that PREPA could have in the locations where the units will be installed.	Not necessary.
16	1.1, Art 2	Scope of Services	New language	Please clarify if contractors can use the same pipe routing from the fuel oil storage tanks to the turbines as the existing installations?	Yes, but road crossings have to be underground.
17	1.1, Art 2	Scope of Services	New language	Will PREPA require design approvals prior to procurement and installation of the systems and equipment? If so, how long would be the revision and approval period?	Yes. Approximately one week.
18	1.1, Art 2	Scope of Services	New language	Will PREPA perform the emissions testing or will this responsibility and cost be placed on the contractor?	Shall be contractor's responsibility.
19	1.1, Art 2	Scope of Services	New language	Will contractors be required to pay the Municipal Construction Taxes?	Yes
20	1.1, Art 2	Scope of Services	New language	Please confirm if above ground pipe routing is acceptable OR if trenches will be required.	Acceptable. For liquid fuel pipe, compliance with SPCC is required.
21	1.1, Art 2	Scope of Services	New language	Please provide the PREPA specification for pipe preparations and coating/painting.	Refer to Attachment 20 Fuel Pipeline Coating Specifications on Addendum 4.
22	1.1, Art 2	Scope of Services	New language	Please confirm if an unloading skid is required at Yabuca site.	No

23	1.1, Art 2	Scope of Services	New language	Please confirm the electrical connections to the grid for both sites are the same as the connections performed during the recent TM2500 emergency project.	Yes
24	1.1, Art 2	Scope of Services	New language	Are we required to supply diesel flow meters?	Each unit shall have coriolis (MICROMOTION) fuel meter for fuel consumption and performance purposes. Refer to Attachment 2 Fuel Specifications on Addendum 3.
25	1.1, Art 2	Scope of Services	Not provided yet	Please provide a Low Sulfur Distillate fuel specification as soon as possible. When will this be provided?	
26	1.1, Art 2	Scope of Services	Not defined	Can we have PREPA-supplied fuel tanks dedicated to the mobile units? If yes, please provide details on quantity, size, etc.	Same system and layout as it was for APR units in Palo Seco and Yabucoa.
27	1.1, Art 2	Fire Protection requirements	No requirements listed in RFP	What are the fire protection system requirements? Do we tie into existing systems? Can you share your site requirements?	Each system shall have fire protection system in compliance with NFPA.
28	1.2, Art 6	Other work at site	If any part of the Contractor's work depends for proper execution or results upon the work of PREPA or of any other Contractor, the Contractor shall inspect and promptly report to PREPA any defects in such work	Please clarify that Contractor shall not be responsible for work of PREPA or third parties.	Not responsible.
29	1.2, Art 11.1	Inspection	PREPA shall have the right to reject defective material, equipment or workmanship or require its correction	Please clarify that PREPA can only reject the Equipment if it fails to meet the minimum performance criteria. Otherwise Contractor shall repair the Equipment in accordance with the warranty provisions.	All equipments and turbines supplied shall be new, zero hours. Replacements due to malfunction in strict accordance with the warranties.
30	1.2, Art 15	Force Majeure	The parties hereto shall be excused from performing hereunder and shall not be liable in damages or otherwise, if and only to the extent that they shall be unable to perform, or are prevented from performing by a Force Majeure event	Please clarify that the effected party shall also not be responsible to the extent that performance is delayed by Force Majeure.	Force Majeure may apply for delays if in accordance with its definition.
31	1.2, Art 48 & 49	SAFETY PROVISIONS & ENVIRONMENTAL LIABILITY	NA	Please clarify that contractor shall not be responsible for any existing conditions or contamination at the Sites.	Contractor is not responsible for any existing condition or contamination at the Sites.



GOVERNMENT OF PUERTO RICO
Puerto Rico Electric Power Authority

September 21, 2018

**Mobile Generation Units
RFP 82695**

ADDENDUM 6

This addendum notifies the following:

I. REQUIRED INFORMATION

The following information shall be clearly itemized in the proposals:

- Price per unit. Shall be the total price of the proposal (not including the O&M and TA proposals) divided by three.
- Heat rate curve
- O&M proposal price (two-year contract, plus two one-year options)
- Major maintenance schedule and price
- Spare parts list and costs

All other terms, conditions and specifications of this RFP remain unchanged.



GOVERNMENT OF PUERTO RICO
Puerto Rico Electric Power Authority

September 20, 2018

**Mobile Generation Units
RFP 82695**

ADDENDUM 5

This addendum notifies the following:

I. CLARIFICATION ANSWERS TO QUESTIONS

The responses below replace answers provided in the Addenda No. 4 for the following questions:

2. What is the emission requirements?

Clean Air Act Compliance and Puerto Rico's Permit Management Office (OGPe). The units are intended for emergency use, and the proponent should anticipate securing such permits in accordance with EPA and OGPe.

24. Please confirm the permits, regulations and conditions that are required to access and work within the facilities of the plant.

Permits and conditions for access and work with the respective generator locations will be determined and coordinated with the Proponent after the award. OGPe permits shall be obtained by contractor, as required.

26. Please indicate if the new mobile equipment will be under the umbrella of the Title V permits of each Facility (Yabucoa-Palo Seco)

The units are intended for emergency use, and the proponent should anticipate securing such permits in accordance with EPA and Commonwealth emergency generator permitting requirements.

27. Are these 60 calendar days considering the permitting process?

Please note that air emission permits (construction and operation) could take around 4 to 6 months Could you please explain?

Yes. The units are intended for emergency use, and the proponent should anticipate securing such permits in accordance with EPA and Commonwealth emergency generator permitting requirements

32. Will PREPA be drafting and submitting the air permit(s)?

Permits shall be contractor's responsibility.

34. Is field emissions testing required? Is this part of 45/60 day schedule requirements?

Yes.

II. ANSWER TO QUESTIONS

Included as Attachment 21 answers to the questions submitted.

All other terms, conditions and specifications of this RFP remain unchanged.

RFP 82695 MOBILE GENERATION

QUESTIONS

ATTACHMENT 21

Item	Received	RFP Section Reference	Questions	ANSWERS
1	9.12.2018 2:51pm	Scope of Services -	Gas Turbines and Balance of Plant: Each unit shall be suited for remote communication to PREPA's Energy Control Center. Q. Is there a communication device that allows communication with PREPA Energy Control Center or does it have to be included? What kind?	The communication to PREPA Energy Control Center shall be through SCADA.
2	9.12.2018 2:51pm		Please confirm that forecasts at the level of communications should be considered for sending signals from the remote control house requested, to the Central Load Office of PREPA.	Yes
3	9.12.2018 2:51pm		Is the capacity factor of the units known? Is there any estimate for this? This is needed to know if the proposal will include inspections of the 12,500 hours and or 25,000 hours etc.	The units are for emergency use. The proposal shall include inspections including (up to) 12,500 hrs.
4	9.12.2018 8:02pm		Please describe electrical metering requirements for new units. Is revenue quality metering required?	Metering requirements, Ion 8650b meter with quality CT/VT for the integration to SCADA.
5	9.12.2018 8:02pm		Will PREPA require a utility direct transfer trip signal?	Yes



Orlando Soto
Product Sales gas
Caribe GE Energy Services Corp
El Mundo Office Bldg. 383
F. D. Roosevelt Ave, Suite 205
Hato Rey, PR 00918

T 787 999 6410
F 787 625 2358
orlando.soto@ge.com

September 20, 2018

Delis Tamara Zambrana Colón
Jefa de Subdivisión de Compras
Puerto Rico Electric Power Authority
PO Box 3670151
San Juan, PR 00936

RE: PREPA'S RFP 82695 REQUEST FOR PROPOSALS FOR MOBILE GENERATION
UNITS, "RFP"

Dear Mrs. Zambrana,

Caribe GE Energy Services Corp and its affiliate, GE Global Parts & Products GMBH, ("GEGP&P"), has designated RG Engineering, Inc. (here after RGE) as our authorized representative solely for RFP for the supply, installation, set in service, and two year operation and maintenance (O&M), as may be extended in accordance with the RFP, of three new TM2500 mobile gas turbines to be located at the Palo Seco and Yabucoa power plants.

The contact in RGE would be Jose M. Robles, who will issue a proposal as prime contractor using GEGP&P, as the equipment supplier and a GEGP&P affiliate for technical support for both installation and O&M services through a cooperation and sale agreement. The parties have executed a binding agreement reflecting the foregoing on September 20, 2018. RGE is registered under PREPA's bidder's registry number 001505 (see Attachment A) and has offices in 605 Condado Street, Suite 322, Santurce, Puerto Rico. RGE shall enter into the contract with PREPA in its own name and shall not be authorized to enter into any agreement on behalf of GEGP&P or its affiliates or bind GEGP&P or its affiliates in any way.

RGE has already installed GE TM2500 mobile turbine generators at the Palo Seco and Yabucoa sites, and has been performing works for PREPA for over 36 years.

This authorized representation of GEGP&G and its affiliate companies is limited to this RFP for the sale of new TM2500 mobile gas turbine generator packages and related balance of plant. Provided that RGE is awarded the contract in the RFP, the parties

relationship shall continue through the completion of the work including warranty and/or O&M.

The scope split between RGE and GEGP&P is approximately 30% RGE and 70% GEGP&P. RGE will be performing all the engineering, installation, and construction of the plant and O&M and GEGP&P and its affiliates will provide the equipment including OEM warranty, spare parts, and technical support.

If awarded a contract resulting from this RFP, upon title transfer to PREPA, all equipment warranties and guarantees shall be vested upon PREPA directly from the original equipment manufacturer (OEM).

If there are any questions, or if PREPA's needs any further communications to accept RGE as our authorized representative for this bid, please contact us at 787-999-6410.


Cordially,


Orlando Soto
Caribe GE Energy Services Corp

AFF. # 29,539

Sworn and subscribed before me by, Orlando Soto, of legal age, married, manager and with permanent residence in San Juan, Puerto Rico.

In San Juan, Puerto Rico, on this 20 day of September 2018.


MIGUEL A. CINTRON QUIROS
NOTARY PUBLIC
NOTARY NUMBER: 6190



ESTADO LIBRE ASOCIADO DE PUERTO RICO
AUTORIDAD DE ENERGÍA ELÉCTRICA DE PUERTO RICO

SAN JUAN, PUERTO RICO



ACEPTACIÓN SOLICITUD DE INGRESO

Yo, **Ydsa M. Álvarez Cepeda**, Supervisora Oficina del Registro Licitadores de la Autoridad de Energía Eléctrica,

Certifico: Que **"R. G. ENGINEERING INC"** número de suplidor **001505**, forma parte de nuestro registro como Proveedor Registrado efectivo el **3 de octubre de 1989**.

Que su compañía será invitada a participar en el(los) renglón(es) dentro de lo(s) cual(es) está registrado.

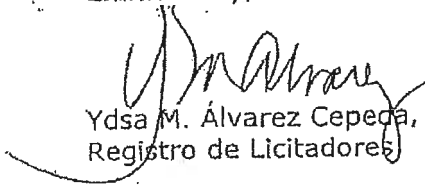
Que puede participar en subastas y contratos de bienes y productos.

Que las obligaciones y derechos de las compañías y personas incluidas en el Registro de Licitadores están expresados en nuestro Reglamento de Subastas.

Que todo proveedor tiene la obligación continua con la Autoridad de mantener al día toda la información y documentos necesarios sobre su negocio.

Que la Autoridad tiene el derecho de referir a su compañía al Comité de Evaluación de Proveedores Registrados para evaluar y recomendar la aprobación de equipos, productos o servicios especializados para cualificarse como Proveedores Evaluados.

Emitida hoy, 17 de enero de 2008


Ydsa M. Álvarez Cepeda, Supervisora
Registro de Licitadores

"Somos un patrono con igualdad de oportunidades en el empleo y no discriminamos por razón de raza, color, sexo, edad, origen social o nacional, condición social, afiliación política, ideas políticas o religiosas, impedimento físico, mental o ambos o condición de veterano".

Attachment A

Sworn Statement of PW Power Systems LLC

To: Mrs. Delis Zambrana
PREPA
Purchasing Department

Subject: RFP # 82695 "MOBILE GENERATION UNITS"

This sworn statement is intended to further clarify the relationship between PW Power Systems LLC ("PWPS") and ARG Precision Corp. ("ARG") following our letter to PREPA dated September 13, 2018, regarding the above-captioned RFP # 82695 (the "RFP"). Set forth below are PREPA's requests for further information regarding the relationship and PWPS's sworn responses thereto.

1. **PREPA Request:** Name of the company authorized as the manufacturer's exclusive representative.

PWPS Response: ARG Precision Corp.

2. **PREPA Request:** The name of the company granting the exclusive representation agreement. Is it the parent company (manufacturer) or a subsidiary of the manufacturer?

PWPS Response: PW Power Systems LLC, which is the manufacturer of the mobile gas turbine packages.

3. **PREPA Request:** Specific scope of business relationship.

PWPS Response: In connection with the RFP, PWPS, as seller, will offer to only ARG, as buyer, certain mobile gas turbine generation packages, technical support and aftermarket goods and services (the "PWPS Scope"). If ARG is awarded the work contemplated by the RFP, it is contemplated that PWPS and ARG would conclude one or more definitive agreements to memorialize the purchase and sale of the PWPS Scope. Prior thereto, ARG is exclusively authorized to bid the PWPS Scope to PREPA (together with ARG's engineering, procurement, construction and aftermarket support services), and answer questions regarding the PWPS Scope.

4. PREPA Request: Date that the current representation agreement was entered into.

PWPS Response: *The agreement described in the final sentence of response number 3 has been in existence since April 1, 2018.*

5. PREPA Request: Term (validity) of the agreement. Please indicate end date.

PWPS Response: *The agreement described in the final sentence of response number 3 is valid until the first to occur of (i) cancellation of the RFP; (ii) awarding of the applicable work to another person; (iii) execution of the definitive agreement(s) discussed in number 3 above; or (iv) September 5, 2019 (i.e., a year after the issuance of the RFP). In the event of (iii), the definitive agreement(s) would provide a term that is commensurate with the term of warranty and maintenance obligations of ARG to PREPA.*

6. PREPA Request: The percent of the work that the representative will perform.

PWPS Response: *ARG has informed us that the percent of the work contemplated by ARG's proposal that ARG and its subcontractors (other than PWPS) would perform is approximately 15%.*

7. PREPA Request: The following statement, "If awarded a contract resulting from this RFP, upon title transfer to PREPA, all equipment warranties and guarantees shall be vested upon PREPA directly from the original equipment manufacturer (OEM)."

PWPS Response: *Confirmed – The definitive agreement(s) discussed in number 3 above would provide that upon title transfer to PREPA, all PWPS equipment warranties and guarantees shall be vested upon PREPA directly from PWPS.*

I trust that the foregoing satisfies PREPA's requirements to allow ARG to bid for the RFP as described herein; however, if you have any questions, please feel free to contact Eleazar F. Rodriguez at eleazar.rodriguez@pwps.com.

Signed under penalty of perjury this 20th day of September 2018.

By:

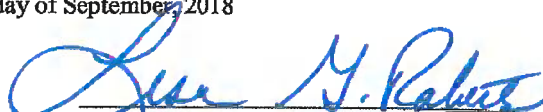


Name: Christopher Jones

Title: Chief Financial Officer

Sworn and subscribed before me on the 20th day of September, 2018

My commission expires: 12/31/2020


Notary Public **LISA G. ROBERTS**
Notary Public, State of Connecticut
My Commission Expires Dec. 31, 2020



GOVERNMENT OF PUERTO RICO
Puerto Rico Electric Power Authority

September 19, 2018

**Mobile Generation Units
RFP 82695**

ADDENDUM 4

This addendum notifies the following:

I. ANSWERS TO QUESTIONS

The second set of answers to the questions submitted is included as Attachment 19.

II. COATING SPECIFICATIONS

Included as Attachment 20 is the fuel pipeline coating specifications.

All other terms, conditions and specifications of this RFP remain unchanged.

RFP 82695 MOBILE GENERATION
ANSWER TO QUESTIONS

ATTACHMENT 19

Item	Received	RFQJ Section Reference	Questions	ANSWERS
1	9.12.2018 11:21am	RFP Document Page 7	Do PREPA's sites have water necessary for equipment operation?	PREPA sites have city water. Palo Seco does have water for operation, Yabucoa does not have.
2	9.12.2018 11:21am		What is the emission requirements?	Clean Air Act Compliance / New Source Review/Environmental Protection Agency (EPA) permit / OGPe Consolidated permit.
3	9.12.2018 11:21am		Can you please let us know the minimum power required / engine?	If engine means turbine, for the purpose of this RFP PREPA considers turbines of a generating capacity between 20 MW and 40 MW under a no-water-injection condition.
4	9.12.2018 2:51pm	Section 2 Scope of Services	Section 2 Scope of Services: Please clarify the extent as to which the contractor shall be responsible for the construction and operation permits considering that the contractor would not be able to pre-determined the amount of time local agencies would take and that the schedule of delivery for the project is 60 days. Or alternatively, would the NTP (notice to proceed) by PREPA be issued after construction permit?	Contractor shall be responsible for all the permits.
5	9.12.2018 2:51pm	Section 2 Scope of Services	Custom, separate remote control room shall be provided by means of a new mobile office trailer at each site (one (1) at Yabucoa and one (1) at Palo Seco). Custom trailer shall be complete with mobile capabilities, internal working area no less than 22-foot long and 10-foot wide, including air conditioning as per comfort standards, windows, two doors, and a partitioned office area. Q. Please clarify if the initial starting will be allowed to be done from units control rooms while the construction work of the remote-control room is completed.	Yes, the initial starting will be allowed to be done from units control room while the construction work of the remote-control room is completed. As specified in this RFP, the remote control room shall be located in the new mobile office, a custom trailer as specified.
6	9.12.2018 2:51pm	Scope of Services -	Gas Turbines and Balance of Plant: Single-mobile trailer, factory mounted control house shall include all electrical, control, and protection cabinets. 15kV switchgear shall be provided: Q. Please clarify the use of the requested 15kV switchgear.	The 15kV switchgear is for BOP and auxiliary equipment.
7	9.12.2018 2:51pm	Scope of Services	Gas Turbines and Balance of Plant: Centrifugal and coalescer fuel filters Q. Please clarify if this means separate centrifugal separator devices and coalescent filters	Yes, separate centrifugal separator devices and coalescent filters.
8	9.12.2018 2:51pm		Please indicate the availability and equipment of the Transformation Bay in 115 kv (Lightning Rod, Power Switch, Bar Switch and connection to 115 KV Bar and Elevator Transformer).	For Palo Seco, the two new turbo generators shall be connected to the 13.8kV bar on our step-up transformer 13.8kV/115kV/38kV. We have complete diameter bay with all devices on our 115kV and 38kV GIS, commissioned, tested and working under all standards. For Yabucoa, the new turbo generator shall be connected to 13.2kV bar on the Yabucoa Frame 5 bus bar. We have a complete switchyard with all devices on 115kV, commissioned, tested and working under all standards. Check on the attachments of Addendum 3, there is the over view of our 115kV.
9	9.12.2018 2:51pm		Please indicate if there is a Protection System against Atmospheric Discharge in the area where the turbogenerators will be installed.	We do not have atmospheric protection system devices on site, but the new turbo generators shall be complied with all environmental protections, laws, rules, and standards, including noise regulations on PREPA, Commonwealth of Puerto Rico and United States of America.

10	9.12.2018 2:51pm	Please indicate if it exists and is working External Lighting System in the area where the Turbogenerators will be installed.	In the construction area of both sites we do not have a lighting system. The proponent shall provide his own lighting system for the construction period. The proponent shall design and submit for approval a permanent lighting system for the entire area where the new two turbo generators will be installed. All lightings shall be compiled with electrical standards like explosion proof and intrinsic safety.
11	9.12.2018 2:51pm	Please indicate the feasibility of using the current route of the diesel pipe in Palo Seco and if some section of the pipe or its supports will remain installed, which section.	In Palo Seco, the route of the installed temporary diesel pipeline is available for this project, except the road crossing between the Frame 5 units station and the diesel tanks. Contractor shall install underground piping on every road crossing. In Yabucoa, the route of temporary diesel pipeline is available, except the main pipeline. The proponent shall design, install, and test new pipe lines for entire project including new supports, bases, etc. The proponent shall comply with all mechanical codes. Fuel pipeline shall be coated as per specifications included as Attachment 20.
12	9.12.2018 2:51pm	Please indicate the physical configuration of the junction of the lines coming from the units to the bar that connects to the step-up transformer.	At Palo Seco, the two new turbo generators shall be installed to 13.8kV bar in the disconnect switch of Palo Seco Unit #2. The proponent shall be design, install and test a bar extension for connect the high voltages cable coming from new units including new enclosure. At Yabucoa, the new turbo generator shall be installed to 13.2kV bar in the Frame 5 bus bar. The proponent shall design, install and test a bar extension for connect the high voltages cable coming from new unit including new enclosure. The proponent shall comply with all active electrical and mechanical codes.
13	9.12.2018 2:51pm	Please inform if there is availability of equipment for auxiliary services (switch-gear and transformer).	The proponent shall design, install, supply, and test all the auxiliary power for the turbo generators. Including all switches, transformers, switchgear, etc. The proponent shall comply with all active electrical and mechanical codes.
14	9.12.2018 2:51pm	Please indicate availability of water in terms of quality (potable or demineralized) and volumes.	PREPA sites have city water. Palo Seco does have water for operation, Yabucoa does not have.
15	9.12.2018 2:51pm	Please indicate availability of compressed air for instruments and services.	The proponent shall provide the compressed air for his instruments and services activities or testing.
16	9.12.2018 2:51pm	Please indicate for Palo Seco how it will be handling the diesel storage tanks with the new units, as well as its relationship with the fuel supply to the Frame 5 units.	The proponent shall connect the new pipelines to the connection point that PREPA will provide. The proponent shall add all elements to comply with Palo Seco Operations procedures. The proponent shall comply with all electrical and mechanical codes, including all PREPA standards, codes, rules, and laws.
17	9.12.2018 2:51pm	Please indicate the Availability of Differential Protection Board of the Power Elevation Transformer and its location in each Plant	All protections, transformer location and performance devices are available on both sites.
18	9.12.2018 2:51pm	Please indicate the Availability of Gateway of 13.8 kV in the Power Elevation Transformer and physical reserve in Bar 13.8, for the connection of the Power Cables (15 KV), where a machine already exists. In case of arrival of the generator to a cell of 15 KV, verify if the arrival is direct to the 15 KV bar or through an arrival switch and physical reserve availability for the connection.	The connections will be directly to the bus bar on both sites. The proponent shall submit to PREPA the design for final approval.
19	9.12.2018 2:51pm	Please indicate the Availability of Earth Mesh in the area where the Turbogenerators will be installed, for the connections to Earth (available lines) and their resistance value	The proponent shall submit the grounding mesh design for the turbo generators and PREPA will provide the connection points and values.

20	9.12.2018 2:51pm	Please indicate the Availability of Auxiliary Service sources in alternating voltage (Voltage Level, reserves of available circuits, distance to the Turbogenerators).	All data is available.
21	9.12.2018 2:51pm	Please indicate the Availability of the Technical Information of Protections, Control and Communications of the transformation bay by PREPA, for the integration of the new Units to be installed.	All data is available.
22	9.12.2018 2:51pm	Please confirm that forecasts at the level of communications should be considered for sending signals from the remote control house requested, to the Central Load Office of PREPA.	Yes.
23	9.12.2018 2:51pm	Please confirm if there is an alternate voltage power source (208/120 V) in each plant for temporary camp feeding, tools and equipment to be used during the assembly and commissioning of the work.	At Palo Seco, PREPA can provide the 208/120v for temporary facilities. At Yabucoa, the contractor shall provide the 208/120V for the temporary facilities.
24	9.12.2018 2:51pm	Please confirm the permits, regulations and conditions that are required to access and work within the facilities of the plant.	Construction Permit - Puerto Rico Environmental Quality Board (PREQB)
25	9.12.2018 2:51pm	Is the capacity factor of the units known? Is there any estimate for this? This is needed to know if the proposal will include inspections of the 12,500 hours and or 25,000 hours etc.	The units are for emergency use. The proposal shall include inspections including (up to) 12,500 hrs.
26	9.12.2018 2:51pm	Please indicate if the new mobile equipment will be under the umbrella of the Title V permits of each Facility (Yabucoa-Palo Seco)	Yes, the new generators will be under Title V permit as stationary sources. Requires New Source Review prior to Operation Permit.
27	9.12.2018 5:55pm	Q: Are these 60 calendar days considering the permitting process? Please note that air emission permits (construction and operation) could take around 4 to 6 months Could you please explain?	Yes, the 60 days include the permitting process.
28	9.12.2018 8:02pm	RFP requires remote communication to PREPA's Energy Control Center. Please describe where and how communication is expected (direct fiber, radio signals, etc...) and communication protocol (Modbus TCP/IP, DNP3, other?).	PREPA
29	9.12.2018 8:02pm	Yabucoa states a 13.2KV secondary voltage on existing 50MVA transformer. Confirm if XFMR tap is set for 13.8KV secondary voltage to match requested generator nominal output voltage.	The new unit shall supply output voltages between 13.2KV to 13.8KV.
30	9.12.2018 8:02pm	Palo Seco simply states 115KV GIS and does not mention the lower voltage bus or transformer ratings. Please describe what is expected at Palo Seco for final connections.	The proponent shall fabricate an extension bars to connect both units to the PREPA connection point. The proponent shall design new enclosure for connection point.
31	9.12.2018 8:02pm	Will PREPA provide their existing relay protection drawings since we have to coordinate with their systems, particularly the shared GSU?	PREPA can provide an overview for the existing layout.
32	9.12.2018 8:02pm	Will PREPA be drafting and submitting the air permit(s)?	All permits are contractor's responsibility. PREPA will help providing any information required for contractor's permits submission.
33	9.12.2018 8:02pm	Will PREPA consider alternates to centrifugal fuel conditioning as long as the required turbine fuel conditions are met?	No alternates considered.
34	9.12.2018 8:02pm	Is field emissions testing required? Is this part of 45/60 day schedule requirements?	Yes, will be required under Title V and New Source Review testing.
35	9.12.2018 8:02pm	Please provide site fuel oil tank sizes (height and capacity) and elevations.	Determine by Bidder at site visits as required
36		Besides more permanent terminations on the electrical wiring (routing, connections, enclosures, etc.) will PREPA recommend a specific route or will the existing one be followed for Palo Seco?	The existing route is good, but terminations shall be suited to be permanent. For example, if an above ground cable tray will be installed following all the electrical codes, the proponent shall install a protection for all equipment to avoid damages from hurricanes or tropical storms.
37	9.12.2018 8:02pm	Will revenue caliber meters be required for fuel consumption? What accuracy is required?	Revenue caliber meter is not considered. Each unit shall have a ultrasonic or coriolis fuel meter for performance purposes.

38	9.12.2018 8:02pm	Please provide details on existing ground grid.	The proponent shall submit the grounding mesh design for the units and PREPA will provide the connection points and values during the commissioning and testing.
39	9.12.2018 8:02pm	Will PREPA require an Interconnection Study and associated fee?	No.
40	9.12.2018 8:02pm	Please confirm if fuel pumps must be installed in a trench	Yes.
41	9.12.2018 8:02pm	Is a Lift oil pump required?	Lift system could be mechanical or hydraulic.

ATTACHMENT 20

SECTION 09900 PAINT

PART 1 GENERAL

1.1 SUMMARY

- A. This section includes the methods and requirements for surfaces preparation and painting.
- B. All exposed surfaces shall be painted, with the exception of those specified. Surfaces that are not mentioned specifically, will be painted equal to the adjacent surfaces that are similar. If the finished color has not been designated, the Engineer will select the standard color or available finished.
- C. Equipment that will not be painted includes:
 - 1. Moving and rotational parts like wheels and guides that subject to lubrication
 - 2. Valves
 - 3. Fans and Axes of Motors
 - 4. Sensors, switches
- D. Labels or Name Plates – All labels, name plates, UL and Factory Mutual labels or any kind of identification shall not be painted.
- E. The contractor is responsible in providing all required equipment to make the work, including scaffolds, stairs, etc. The removal of this equipment is required once is finished the work.

1.2 DEFINITION

- A. Paints: coating system (base, intermediate, finished), primers, sealants, enamels, epoxies.

1.3 REQUIRED DOCUMENTS

- A. Product Literature: Manufacturer's technical data and instructions of paints to be used.
 - 1. The paintings will be identified with the number and identification name of the manufacturer.

Mobile Generation Units
Paint Specifications

- B. Samples for verification: Contractor shall provide samples with each color and material to be applied on representative samples of the present substratum. Each layer shall be defined. Representative colors shall be used when samples for revision are prepared.
- C. In case of using different products from those specified, the bidders will include in their proposal the technical information of the new product and its Material Data Sheets (MSDS, by its abbreviations in English) for evaluation and approval.

1.4 QUALITY ASSURANCE

- A. Responsibility of a single source: To provide the layer for bases, intermediate and final coat, and mixing agents of the same manufacturer.
- B. The Contractor shall retain the services of a NACE inspector or qualified individual to prepare the surface preparation and coating application as per the coating manufacturer requirements and to inspect and guarantee the fulfillment of all the required conditions before and during the application of the product.
- C. Material Quality: Provide the manufacturer's best quality paint equal or similar to those specified.
 - 1. Names used for colors or materials designated by the manufacturer, do not imply that other equivalent products of other manufacturers are excluded.

1.5 GENERAL REQUIREMENT

- A. Works with toxic materials shall be done following the current and applicable EPA and OSHA regulations.
- B. The Contractor will provide and require to all his personnel the use of security equipment required by: OSHA, the Engineer or any other agency that have jurisdiction, when making the required works in this Specification.
- C. All material or work done by the Contractor that differs from the drawings, specifications or contract can be rejected by the Engineer. Cost associated for replacement is at Contractor's responsibility.

Mobile Generation Units
Paint Specifications

1.6 DELIVERY, HANDLING AND STORAGE

- A. All materials, parts and equipments shall be delivered at project site in its originals manufacturer's packaging, factory sealed and labeled with the following information:
1. Name of the product.
 2. Description of the product (generic classification).
 3. Number of the general specification, whenever apply.
 4. Manufacturer's warehouse number and fabrication date.
 5. Volume content.
 6. Paints' mixing instructions.
 7. Paints' application instructions.
 8. Paints' number and color name.
- B. Instructions to follow:
1. Storage unused materials in its original package in a dry, closed, ventilated area, following manufacturer's storage recommendations.
 2. Keep packages in use in optimal conditions, free from residuals and unrelated stored materials.
 3. Keep storage area ordered and clean. Wastes removal shall be daily. The Contractor is responsible for the disposal in an adequate and authorized landfill.
 4. Follow any necessary measure to assure the safety of workers and working areas against fire and health hazards, wrong handling during paint mixtures and applications.

Mobile Generation Units
Paint Specifications

1.7 Working Conditions

- A. To prevent quick drying, bulges, runny paint, and fast solvent evaporation, where is hazardous in a confined space, surfaces with a temperature over 120° F shall not be painted.
- B. Painting in a rainy day is not permitted.

PART 2 PRODUCT

2.1 GENERAL

- A. The volatile organic compound content of the products to be used shall be less than 3.5 lbs/gal (420 g/l).

2.2 SYSTEMS

Mobile Generation Units
Paint Specifications

COATING SYSTEM

PRODUCT DESCRIPTION	COAT TYPE	VS %	DFT min. Mils	COATING SPECIFICATION
PPG				
Amercoat 68HS	Primer / Full Coat	70	3	Note *A
Amercoat 240	Stripe Coat	87	{5}	Note *B
Amercoat 240	Intermediate / Full Coat	87	6	Note *C
PSX 700 - Siloxane Coating	Finish Top / Full Coat	90	3	Note *D

TOTAL DRY FILM THICKNESS

12 MILS

Notes: All products are from PPG Protective & Marine Coatings

***A - Primer:** A zinc enriched epoxy.

***B - { } DFT:** Not included in the DFT column totals. Additional stripe coat shall be applied over all welds seams and edges.

***C - Intermediate Coat:** High build surface tolerant epoxy, abrasion resistance and low VOC.

***D - Top Coat:** High performance, two component, high solids epoxy siloxane finish top coat.

Color for top coat will be defined by PREPA in the preconstruction meeting.

PART 3 EXECUTION

3.1 PRELIMINARY

- A. The product's manufacturer Technician will examine the substrate and the conditions under which the work will be made to verify that all requirements and conditions are met before application. The Technician is the sole responsible to certified in written that such required conditions are properly met to begin application.

3.2 PREPARATION

- A. General Procedures: Remove or protect every accessory, plates, luminaries, or similar equipments not to be painted. All these equipments shall be reinstalled after completing the job.

Mobile Generation Units
Paint Specifications

- B. Before abrasive cleaning, wet or dry, evaluate for the presence of oil or grease on the surface to be painted. Oil and grease shall be completely removed by Solvent Cleaning, SSPC-SP1 or recommended by the manufacturer. Use one of the following test to detect the presence of oil or grease:
 - 1. Water breaking: Use atomize distilled water on the surface. The presence of oil or grease is detected when the water does not penetrate.
 - 2. Clean Cloth: Slightly rug a clean white cloth over the surface. Discoloration on the cloth is an evidence of grease or oil.
- C. Surface preparation before painting/coating:

Working area shall be isolated. All surfaces shall be prepared by abrasive cleaning, commercial blast (SSPC-SP6). Use ChlorRid, Chlor Test CSN and Hold Blast or similar products, to stop flash rust and for the testing and removal of soluble salts. The surface profile required will be 2 – 3 mils.
- D. Water, residual material used for cleaning, residuals painting, scales, or loose material as a result of the surface preparation if any shall be recollected for a full RCRA characterization test and shall be disposed as required by the applicable regulations.
 - 1. Residual collectors systems is Contractor's responsibility.
- E. Material Preparation: Mix and prepare the components following manufacturer's recommendations.
 - 1. Keep clean and free of foreign materials the containments used for mixing and paint application.
 - 2. Only use solvents and mixing agents of the same manufacturer.
 - 3. Products diluted in excess is not allowed. The Contractor is the sole responsible on applying and ending with the specified thickness (dry). Is the Engineer's responsibility to approve the required dry thickness applied.

Mobile Generation Units
Paint Specifications

F. Procedure for Testing and Removal of Soluble Salts (Chloride/Sulfate/Nitrate).

1. All surfaces shall be water blasted cleaned with a minimum of 3,000 psi, using a 1% solution of Chlor Rid, to remove soluble salts. The maximum chloride permissible contamination level in the water used for cleaning is limited to 100ppm.
2. Cleaned surfaces using abrasive blasting shall be painted before rusting. The maximum chloride permissible contamination level in the abrasive used for cleaning is limited to 50ppm.
3. The base coat (primer) can be applied if the surface is clean, free of dust, abrasive and other contaminants. The following tests shall be done to guarantee the cleanness of the surface:
 - a. Adhesive tape testing every 1,000 ft ².
4. Chlor Test CSN, or similar product, shall be done one hour after abrasive cleaning. The test shall be done on representative areas with corrosion or loosed material and closed to weld seams.
5. Contamination Levels
 - a. Excessive Chloride level – greater than 3 µg/cm²
 - b. Excessive Sulfates level - 10 µg/cm²
 - c. Excessive Nitrate Level - 5 µg/cm²

3.3 APPLICATION

- A. Apply the coating following manufacturer's instructions. Use suitable techniques and equipments for the material to be applied on the substrate. Whenever is possible use airless spray. The Contractor shall take all necessary measures to prevent the intrusion of any contaminant that may affect the painted area.
- B. It is not permitted to paint over dirty, corroded, scaled, dusted, greased, unprepared surfaces.
- C. Systems components shall be compatible, from the same manufacturer.

Mobile Generation Units
Paint Specifications

- D. The film thickness remains the same independently on the method of application. Subsequent layers will not be applied until the previous layer has been cured, as indicated on the manufacturer's literature.
- E. Apply additional layers when the previous layer is stained. All layers shall have the same uniform color and texture. Specified film thickness shall be verified on corners and edges. Special attention shall be given to assure that the corners, edges, hollows and welds receives the same thickness of dry film as in flat surfaces. Do not apply primer when it has been shop applied.
- F. Itinerary for Coating: First coat shall be applied as soon as possible after surface has been prepared. Repeat surface preparation process when there a change in color, loss of required surface profile or fast rusted.
- G. Apply the minimum coating thickness required per specified system. When is necessary and/or required by the Engineer, apply a spot primer at critical points before base (primer) coat. Specified coating thickness are not included in this step. Among the critical points are the edges and corners.

3.4 QUALITY CONTROL

- A. The Authority reserve the right to request at any time, and many times as necessary, the following tests during the application:
 - 1. The Authority may contract the services of an independent laboratory to sample the products that are been used. The samples will be taken in the presence of the Contractor.
 - 2. The laboratory will analyze the sample for the following characteristics per Authority request:
 - a. Material's Quantitative Analysis.
 - b. Corrosion Resistance
 - c. Apparent Reflectivity
 - d. Flexibility
 - e. Opacity

Mobile Generation Units
Paint Specifications

- f. Color Retention
 - g. Rust and Alkaline Resistance
- 3. If the test result shows that the material used does not comply with the requirements specified, the Authority will stop the works and may require to the Contractor the disbursement of the testing, removal of the rejected paint, new surface preparation and new coating at his own cost.
- B. The Contractor will provide to the Engineer the receipts of the materials purchased.
- C. The Contractor shall keep a daily log of field conditions and of the necessary tests to assure the job is being done as specified and according to the manufacturer.
 - 1. The tests to perform are not limited to:
 - a. Surface Profile
 - b. Ambient Temperature
 - c. Humidity
 - d. Surface Temperature
 - e. Coating thickness, wet and dry
 - f. Adhesion
 - 2. The Contractor shall keep accessible all the information related to the equipment used for inspections and testings, including equipment technical data and calibration.
 - 3. All the inspections and testings shall be performed in the presence of the Engineer.

3.5 HOUSE KEEPING

- A. Empty containers, covers, debris, residuals and all unnecessary material in the working area shall be properly removed and disposed daily.

3.6 PROTECTION

- A. Protect all equipment and completed work done in adjacent areas.

Mobile Generation Units
Paint Specifications

- B. Damages shall be repaired, replaced or recoated per Engineer's requirements.

3.7 SECURITY

- A. Coatings/paintings shall be done following the safety measures recommended by the manufacturer and required by the Safety Engineer in charge. The Contractor shall follow at all time the best management practice plan (BMPP) and safety regulations established by the Authority to assure a safe working environment to the personnel.

3.8 COLORS

- A. Provide the existing color of the structure and elements to be repaired.

END OF SPECIFICATION 09900



GOVERNMENT OF PUERTO RICO
Puerto Rico Electric Power Authority

September 19, 2018

**Mobile Generation Units
RFP 82695**

ADDENDUM 3

This addendum notifies the following:

I. ANSWERS TO QUESTIONS

The first set of answers to the questions submitted is included as Attachment 01.

II. Details, Plants Drawings, and Aerial Photos

Included as Attachments 2 to 18 are details of the installation plans, drawings, diesel specifications, transformers, and manuals.

All other terms, conditions and specifications of this RFP remain unchanged.

**RFP 82695 MOBILE GENERATION UNITS
ANSWERS TO QUESTIONS
ATTACHMENT 01**

Item	Received	RFP Section Reference	Questions	ANSWERS
1	9.7.2018 1:25pm		Natural Gas (NG) specification Distillate #2 fuel (diesel) specification Water quality Air quality Drawings and Aerial photos Please provide planned operation (peaking, base load) for the 3 gas turbines.	Diesel specifications, drawings, and aerial photos are included as attachments in Addendum 003.
2	9.10.2018 7:28am			Units shall be capable of sustaining base load, fixed load, and peaking load operation modes. Also, units shall be capable of operating under island mode, frequency regulation and droop control modes, and control system shall be fully capable of receiving operation signals from PREPA's SCADA system to achieve the desired operating schemes, as well as unit remote start-up, synchronization, operation and shutdown. Units shall be able to start up under island mode with no reference voltage.
3	9.10.2018 7:28am		Please provide the estimated hours of operation in natural gas.	No natural gas is expected in the next months to be connected to this units.
4	9.12.2018 11:21am	RFP Document Page 6	Is PREPA considering a DLN option?	To be considered if offered by proponents
5	9.12.2018 11:21am		On the Operation and Maintenance contract form, all exhibits are missing. Could you please forward them to us?	Exhibits referred on the O&M Contract Draft will be defined between parties after it has been negotiated and agreed. Exhibits will be those documents related to the units provided, the operation forecast, and maintenance obligations.
6	9.12.2018 12:34pm	Draft Contract Mobile Generation Units	We can't find the General and Special Conditions from the download documents package. The contract makes reference to it. Please share, for review.	All the conditions required for this RFP are on the RFP Document. That is an error on the contract draft, here are no General or Special Conditions.
7			Are these 60 calendar days considering the permitting process?	Yes, the permitting process is considered on the 60 calendar days for delivery and start up.
8	9.12.2018 2:51pm	Scope of Services	Gas Turbines and Balance of Plant - Drawings and aerial photos of the site are provided as attachments. Q. Drawings and aerial photos have not been received	Drawings and aerial photos of both sites are included on this Addendum 3 as attachments.
9	9.12.2018 2:51pm	Scope of Services	GT's Protection System - The drawings for the generator installation shall be submitted for the approval of the Engineering Design Department. The proponent shall discuss the approved drawings 20 days prior to installation with DCEPSE personnel. Q. The Contract draft states that PREPA will take 10 days for approvals please indicate if this is the time you will take for approvals.	Yes, PREPA will have up to 10 days to evaluate the drawings.
10	9.12.2018 2:51pm	Scope of Services	Gas Turbines and Balance of Plant - Existing equipment, materials or installations shall be properly relocated by the Contractor and reinstalled, as per instructed by PREPA. Q. Please clearly identify what equipment or material will PREPA instruct to be relocated so that this can be properly budgeted.	In the site visits proponents were able to see the actual conditions of the sites. If there is any equipment or material that needs to be relocated as part of the proponent's solution, it is his responsibility to do it as needed. That does not include the mobile units installed in Palo Seco or any of the materials related to it.
11	9.12.2018 2:51pm		Please indicate availability of storage and assembly area for the contractor within the facilities of the plants	During the site visits proponents could see the available areas for both storage and assembly. But, both depend on the requirements of the contractor/manufacturer to perform those tasks.
12	9.12.2018 2:51pm		Please indicate the security conditions that PREPA offers for the storage and assembly areas for the contractor within or close the facilities of the plants.	PREPA has security on its installations, but contractor shall be responsible to provide its own security for the equipment and materials during the construction phase.
13	9.12.2018 2:51pm		Please indicate mechanism to request work permits every day	Contractor will report before the workday starts to PREPA's project manager, inspector, or plant's person of contact the tasks to be performed during the day. If tasks of higher risk will be performed, such as welding, bus bar connection, substation works, etc., a written permit has to be signed by any of those officials. Any work to be performed inside a substation or GIS has to be coordinated with the transmission or distribution dispatch.
14	9.12.2018 2:51pm		Please indicate the distances from the installation area of the units to the places where the controls and protections associated with the transformers and substations are located.	Those distances had to be taken into consideration during the site visits. Site drawings and aerial photos are included for reference.
15	9.12.2018 2:51pm		Please indicate if there is close protection in the areas designated for storage and assembly work of the contractor.	No. Contractor shall be responsible for the storage and protection of its materials and equipment.
16	9.12.2018 2:51pm		Please indicate the Who will carry out the Tests of the equipment associated with Bahia de Transformation before the commissioning of the Generator units.	Contractor shall perform the test, PREPA shall testify.

17	9.12.2018 2:51pm	Please indicate the Availability of facilities within the Plant, for the storage and custody of machinery, equipment, materials and tools, required for the assembly of the work.	Equipment and materials can be stored inside the power plants, but contractor shall be responsible for its protection and security.
18	9.12.2018 2:51pm	Due to the aggressive delivery date of the project, if there was any difficulty in any auxiliary equipment, could we rent or use a replacement and later replace it with the new one so as not to affect the delivery of the project?	Contractor shall indicate in its proposal if there will be any delay in the delivery of an equipment so PREPA can determine if a temporary replacement may be acceptable. That shall be the exception not the rule.
19	9.12.2018 2:51pm	Will operators be required 24 hours a day at each station?	That's a decision that PREPA may take based on the necessity of the system operation. For the proposal, proponents shall assume that a 24-hr operation may be required.
20	9.12.2018 2:51pm	To supply all the consumable, strategic and troubleshooting parts it is necessary to acquire the list of those recommended by PWPS then they would be replaced during the contract period without additional cost. These costs must be added to the base price of the equipment or separately?	Bidder should provide recommended spare parts
21	9.12.2018 2:51pm	Please clarify the concept that is indicated in the terms of payment and that refers to a Power Purchase Agreement.	This RFP is for PREPA to acquire generating units, for a possible O&M contract, and the alternative of TA service agreement. No Power Purchase Agreement will result from this RFP.
22	9.12.2018 8:02pm	Please provide general arrangements for each site.	During the site visits the actual layouts were observed (Palo Seco) or explained (Yabucoa). Also, there are site drawings and aerial photos for reference.
23	9.12.2018 8:02pm	Please provide site existing foundation and underground drawings	No foundation or underground drawings are available.
24	9.12.2018 8:02pm	Does PREPA have an expected timeline between Selection of Proposal and Notification and NTP?	Selection announcement is expected for the second week of October. Notice to proceed the last week of October.
25	9.12.2018 8:02pm	Please provide geotechnical reports for each site.	No geotechnical reports are available.
26	9.12.2018 8:02pm	Does PREPA intend to operate the mobile power units with water injection?	PREPA intends to operate the units with and without water.
27	9.12.2018 8:02pm	Does PREPA intend to operate the mobile power units with natural gas?	Yes, if available in the future. Units shall have the provision to burn natural gas.
28	9.12.2018 8:02pm	Confirm O&M services are only for diesel fuel operation	Yes at present.
29	9.12.2018 8:02pm	Will any PREPA operators be utilized during the term of the O&M agreement?	No.
30	9.12.2018 8:02pm	Is 24/7 coverage required on site for operations during the O&M agreement?	Yes, as deemed necessary by contractor
31	9.12.2018 8:02pm	Will secured laydown area be made available by PREPA? If so, please provide drawing showing usable laydown area	During site visits the laydown area previously used next to the power station in Yabucoa was shown. In Palo Seco, an area inside the power plant can be assigned.
32	9.12.2018 8:02pm	Yabucoa - Please describe existing fuel unloading requirements. Will new unit be isolated from remaining plant fuel system?	No. New unit shall be connected to the existing fuel supply system.
33	9.12.2018 8:02pm	Are fuel forwarding pumps available at each site?	No. Proponent shall provide a fuel supply pump skid for each unit and connect it to the existing fuel system.
34	9.12.2018 8:02pm	Will PREPA require specific materials and configurations for the electrical wiring?	Contractor shall follow industry standards
35	9.12.2018 8:02pm	Will the Fuel lines that run near the generating units be routed over ground like they are currently in Palo Seco or will PREPA require trenches?	Contractor can install the fuel lines over ground, but a safe path to walk over the lines shall be built. Also, when crossing any street, entrance, or any vehicle access an underground installation shall be provided.
36	9.12.2018 8:02pm	Will PREPA provide electrical power and water services for the project's construction phase at both sites?	Yes, as deemed reasonably necessary by contractor. But utilities calculated cost shall be discounted from the contract cost.
37	9.12.2018 8:02pm	Will PREPA offer any logistics assistance in getting the units to the sites, such as police escorts?	No.
38	9.12.2018 8:02pm	Will PREPA provide water (potable and service) services for the project's operation phase in both sites?	Yes, as deemed reasonably necessary by contractor. But utilities calculated cost shall be discounted from the contract cost.
39	9.12.2018 8:02pm	Can contractor tie into existing fire water loops at each site?	Yes. Connection drawing shall be submitted for approval.
40	9.12.2018 8:02pm	What are site fire protection requirements for fuel forwarding system?	NFPA requirements.
41	9.12.2018 8:02pm	Will PREPA provide daily Diesel tank levels or a level indication to the operator? Since the operator won't have the control of the fuel supply, the tank level is indispensable for operational reasons.	Yes, PREPA will provide a daily report to the operation team of each site.
42	9.12.2018 8:02pm	Do the 45 and 60 day completion dates and associated penalties include the 10 day allowance for final acceptance as outlined in the draft contract?	The works in Yabucoa shall be substantially completed in 45 days and in Palo Seco in 60 days. Substantially completed means that the unit(s) is (are) installed, tested, and commissioned. Units shall be ready to be dispatched by PREPA to reach the substantially completed stage. Time and penalties will stop when substantial completion is accomplished.
43	9.12.2018 8:02pm	Are double wall tanks required for fuel oil storage?	Yes, unless the tank can be placed into an space suitable for fuel containment.
44	9.12.2018 8:02pm	Is lighting available for roads and anticipated laydown areas?	Yes.
45	9.12.2018 8:02pm	What are the working restrictions for cranes	This issue should be addressed by proponents during the site visit.
46	9.12.2018 8:02pm	What is the contractor job trailer size limitation/location/power availability	There is no size limitation. In Palo Seco shall be near the jobsite. In Yabucoa, the laydown area or inside the power station area can be used. Power is available for all areas.

47	9.12.2018 8:02pm		What is the existing distance between the site generator circuit protector and GSU	See site plan and confirm by Bidder during site visit
48	9.12.2018 8:02pm		Please provide copies of foundation area drawing for both sites.	There are no foundation drawings available.
49	9.12.2018 8:02pm	Section 3.1 RFP Document	Per Section 3.1, Price Proposal, please clarify how power and heat rate differences will be evaluated.	Price proposal will be evaluated based in a Life Cycle Cost Formula that will be provided.
50	9.12.2018 8:02pm		Please provide the following document in English language: "GUIAS PARA PROCESOS DE ADQUISICIONES DE BIENES Y SERVICIOS A TRAVES DE SOLICITUD DE PROPUESTAS"	The document "GUIAS PARA PROCESOS DE ADQUISICIONES DE BIENES Y SERVICIOS A TRAVES DE SOLICITUD DE PROPUESTAS" is PREPA's guide for the RFP process. This document is not officially translated in English.
51	9.12.2018 8:02pm	Draft O&M Contract	Please provide Exhibit A "EQUIPMENT SPECIFICATION" which is mentioned in the OPERATIONS AND MAINTENANCE AGREEMENT	Exhibits in the O&M Contract will be the documents provided by the manufacturer of the units acquired by PREPA and the terms and conditions agreed by the Parties.
52	9.12.2018 8:02pm	Draft O&M Contract	Please provide Exhibit B "OPERATING SPECIFICATIONS" which is mentioned in the OPERATIONS AND MAINTENANCE AGREEMENT.	Exhibits in the O&M Contract will be the documents provided by the manufacturer of the units acquired by PREPA and the terms and conditions agreed by the Parties.
53	9.12.2018 8:02pm	Draft O&M Contract	Please provide Exhibit C "MAINTENANCE OBLIGATIONS" which is mentioned in the OPERATIONS AND MAINTENANCE AGREEMENT.	Exhibits in the O&M Contract will be the documents provided by the manufacturer of the units acquired by PREPA and the terms and conditions agreed by the Parties.
54	9.12.2018 8:02pm	Draft O&M Contract	Please provide Exhibit D "TRAINING" which is mentioned in the OPERATIONS AND MAINTENANCE AGREEMENT.	Exhibits in the O&M Contract will be the documents provided by the manufacturer of the units acquired by PREPA and the terms and conditions agreed by the Parties.
55	9.12.2018 8:02pm	Draft O&M Contract	Please provide Exhibit E "TIME AND MATERIAL" which is mentioned in the OPERATIONS AND MAINTENANCE AGREEMENT.	Exhibits in the O&M Contract will be the documents provided by the manufacturer of the units acquired by PREPA and the terms and conditions agreed by the Parties.
56	9.12.2018 8:02pm	Draft O&M Contract	Please provide Exhibit F "TRANSFER PROTOCOL/TRANSITION PHASE" which is mentioned in the OPERATIONS AND MAINTENANCE AGREEMENT.	Exhibits in the O&M Contract will be the documents provided by the manufacturer of the units acquired by PREPA and the terms and conditions agreed by the Parties.
57	9.12.2018 8:02pm	Draft O&M Contract	Please clarify the following statement contained in page 8 of the Operations and maintenance agreement:	That section shall be modified or deleted as determined by Parties after negotiation of the terms and conditions of the O&M agreement.
58	9.12.2018 8:02pm	Draft O&M Contract	a. (i) to perform in a timely manner all required maintenance of the Purchased Equipment other than the routine maintenance to be performed by Contractor as specified in Exhibit C to this Agreement (in this regard, the Parties acknowledge that PREPA shall be responsible for any hot section exchanges)	
59	9.12.2018 8:02pm	Draft O&M Contract	Please clarify who shall procure and maintain all OPERATION permitting. There seem to be a contradiction between the Operations and Maintenance Agreement, Section 4, Item (e) and the RFQ 82695, Section 2 (last paragraph).	Operation permitting is PREPA's responsibility.
60	9.12.2018 8:02pm	Draft O&M Contract	Please provide clarification with regards to the 'Effective Date' and Execution Date, as defined in the Operations and Maintenance Agreement (O&M). Is the intent for the O&M to commence at the same time as the Purchase Agreement?	The Effective Date on the O&M Agreement shall be the next day after the Final Acceptance Date on the draft of the contract of the generating units.
61	9.12.2018 8:02pm	Draft O&M Contract	Please confirm offices, restrooms and canteen facilities will be provided to contractor by PREPA for during the O&M period.	Only restrooms will be provided during the O&M period.
62	9.12.2018 8:02pm	Draft O&M Contract	The RFP and the Terms and Conditions sections refer to Contractor's obligation to meet all Plant permit requirements. Please provide copies of the Plant permits for both site locations.	Plant's permits refer to the basic safety, environmental, and security required in any U.S. power plant.
63	9.12.2018 8:02pm		Please clarify and provide further details concerning the following statement: Existing equipment, materials or installations shall be properly relocated by the Contractor and reinstalled, as per instructed by PREPA.	In the site visits proponents were able to see the actual conditions of the sites. If there is any equipment or material that needs to be relocated as part of the proponent's solution, it is his responsibility to do it as needed. That does not include the mobile units installed in Palo Seco or any of the materials related to it.

FUEL SPECIFICATIONS
SAN JUAN, PALO SECO, AGUIRRE, MAYAGÜEZ, AND CAMBALACHE
GAS TURBINES GENERATING STATIONS

PARAMETER	ASTM METHOD	MINIMUM	MAXIMUM
Sampling	D-4057	-	-
Gravity, API Degree at 60°	D-287	30.0	42.0
Viscosity, Kinematic CTS at 100° F	D-445 D-2161	2.3	5.8
Water plus Sediment, % volume	D-95-83 D-473		0.1
Water Content, % weight	D-95-13e1		1.0
Flash Point, Degree F, PMCT	D-93	125	
Sulfur, % weight ¹	D-4294		0.050
Ash, % weight	D-482		0.005
Pour Point, Degree F	D-97		15
Sodium plus Potassium, PPM ²	D-1318		0.5
Vanadium, PPM	D-1548		0.5
Calcium, PPM	D-1548		2.0
Heating Value, BTU/lb. (Net) at 60° F	D-240	18,600	
Distillation Temp. 90% Point degree F	D-86		650
Carbon Residue WT. % (10% Bottoms)	D-524		1.0
Filterable Dirt (Particulates) Mg./100 ml.	D-2276		4
Color		Dyed	
Cetane Number	D-975	40	56
Lead PPM	A.A.	0.01	1.0
Fuel Bound Nitrogen Wt. %	4629-91		0.015
Total Glycerin	D-6584	None detected	

¹Reproducibility and repeatability must be taken into consideration in order to comply with the maximum sulfur percent weight specification. ²Latest published ASTM methods shall be used for all tests.

SAMPLE CALCULATION BTU DEFICIENCY ADJUSTMENT

Example of calculation to determine credit due to PREPA if Seller supplies fuel of lower heat content than the guaranteed Btu value. The contracted value is 18,600 Btus per pound of fuel measured at 60 degrees F.

Assume Seller delivers 50,000 barrels of fuel measured at 60 degrees F.

Assume the quality certificate of the fuel indicates a heat content of 18,500 Btu per pound.

Therefore:

To calculate the equivalent barrels deficiency divide the difference of Btus per pound received by the guaranteed minimum and multiply this fraction by the delivered volume.

Example:

$$(50,000 \text{ barrels}) \times ((18,600 - 18,500) / 18,600) = 268.82 \text{ bbl. (deficiency)}$$

SAMPLE CALCULATION ESCALATION FACTOR

Indexes for Ultra Low Sulfur Diesel

	Platts NY		Platts USGC		Argus NY		Argus USGC	
	Low	High	Low	High	Low	High	Low	High
01/02/17	170.52	170.62	168.92	169.02	169.53	170.13	168.17	168.57
01/03/17	164.57	164.67	163.22	163.32	164.67	165.17	162.17	163.17
01/04/17	166.40	166.50	164.10	164.20	166.15	166.65	163.15	164.25

First step: Average

$$\text{Platts New York} = (170.52 + 170.62 + 164.57 + 164.67 + 166.4 + 166.5) / 6 = 167.2133$$

$$\text{Platts US Gulf Coast} = (168.92 + 169.02 + 163.22 + 163.32 + 164.1 + 164.2) / 6 = 165.4633$$

$$\text{Argus New York} = (169.53 + 170.13 + 164.67 + 165.17 + 166.15 + 166.65) / 6 = 167.05$$

$$\text{Argus USGC} = (168.17 + 168.57 + 162.17 + 163.17 + 163.15 + 164.25) / 6 = 164.9133$$

Second step: Interpolation

$$\text{Platt's ULSD} = (167.2133 + 165.4633) / 2 = 166.3383$$

$$\text{Argus ULSD} = (167.05 + 164.9133) / 2 = 165.9817$$

Third step: Final calculation

Escalation Factor for a delivery commencing on January 3, 2017

$$= [\frac{1}{2}(\text{Platts ULSD}) + \frac{1}{2}(\text{Argus ULSD})] \times 0.42$$

$$= \frac{1}{2}(166.3383) + \frac{1}{2}(165.9817) \times 0.42$$

$$= (83.1692 + 82.9908) \times 0.42 = 69.7872$$

 [Print this Page](#)**Subject: Additional clarifications, manufacturer's exclusive representatives****Date:** 09/14/18 04:32 PM (AST)**From:** Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)]**To:** All Bid Teams**ARG Precision Bid Team:** Armando Rodriguez [ARG Precision];**GE (General Electric) Bid Team:** Orlando Soto [GE (General Electric)];**Pratt & Whitney Bid Team:** Eleazar Rodriguez [Pratt & Whitney];**PRATT & WITTNEY Bid Team:** MAURICIO GARCES [PRATT & WITTNEY]; JEAN-SEBASTIEN RATELLE [PRATT & WITTNEY];**Siemens Energy, Inc Bid Team:** Alexander Johnson [Siemens Energy, Inc]; William Stefurak [Siemens Energy, Inc];**Cc:** **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; ASTRID RODRIGUEZ [Puerto Rico Electric Power Authority (PREPA)]; Astrid Rodriguez [Puerto Rico Electric Power Authority (PREPA)]; Lionel Santa Crispin [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];**Message:**

Additional clarification to all participants Turbine manufacturer's that, for confidentiality reasons, cannot provide a copy of their contract/agreement with an authorized and exclusive representative, must provide for PREPA's evaluation, a sworn statement with their proposal that includes the following information: 1. Name of the company authorized as the manufacturer's exclusive representative 2. The name of the company granting the exclusive representation agreement. Is it the parent company (manufacturer) or a subsidiary of the manufacturer? 3. Specific scope of business relationship. 4. Date that the current representation agreement was entered into. 5. Term (validity) of the agreement. Please indicate end date. 6. The percent of the work that the representative will perform. 7. The following statement, "If awarded a contract resulting from this RFP, upon title transfer to PREPA, all equipment warranties and guarantees shall be vested upon PREPA directly from the original equipment manufacturer (OEM)." Thank you for your interest in this RFP process.

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GOVERNMENT OF PUERTO RICO
Puerto Rico Electric Power Authority

**Mobile Generation Units
RFP 82695**

ADDENDUM 2

This addendum notifies the following:

I. TIMELINE

The timeline is updated as follows:

Key Review Process Events	Targeted Timeline
Issuance of Answers to Questions – 11:59 p.m. (Atlantic)	September 19, 2018
Proposal Submission Deadline – 11:59 p.m. (Atlantic)	September 24, 2018
Short List Selection, Presentations or Interviews (if applicable) *	October 1-2, 2018
Target Date for Selection of Proposal and Notification*	October 5, 2018

*At PREPA's discretion

II. Section 2 Scope of Services

Under the Scope of Services Section and Gas Turbines and Balance of Plant Subsection, the following requirement has been modified:

“Each unit shall have a generating capacity between 20 MW and 40 MW under a no-water-injection or no-steam injection condition.”

All other terms, conditions and specifications of this RFP remain unchanged.

 [Print this Page](#)
Subject: Confirmation of receiving ARG Letter of Representation**Date:** 09/14/18 10:36 AM (AST)**From:** Eleazar Rodriguez [Pratt & Whitney]

To: **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; ASTRID RODRIGUEZ [Puerto Rico Electric Power Authority (PREPA)]; Astrid Rodriguez [Puerto Rico Electric Power Authority (PREPA)]; Lionel Santa Crispin [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];

Cc: **Pratt & Whitney Bid Team:** Eleazar Rodriguez [Pratt & Whitney];**Message:**

Sra. Zambrana, Please see attached ARG Representation Letter Regards Eleazar Rodriguez --- Original Message Sent 09/14/18 10:26 AM (EDT). --- Hello Mr. Rodriguez, Thank you for sending this confirmation request. I have not yet received the letter of representation you mention having sent yesterday. Could you please resend the letter for our evaluation? Thank you once again, Delis Zambrana --- Original Message Sent 09/13/18 04:42 PM (EDT). --- Dear Natalia, Could you please confirm that the Letter of representation sent this morning to Mrs. Delis Zambrana was received and its comply with your previous requirements. Thanks very much for your support Best regards Eleazar Rodriguez

Attachments:

<u>Description</u>	<u>File Name</u>	<u>Type</u>	<u>Date</u>	<u>Submittals</u>
Letter of Representation	att_Letter_of_representation_-_Signed-signed.pdf	Message Attachment	09/14/18	

Subject: Confirmation of receiving ARG Letter of Representation**Date:** 09/14/18 10:26 AM (AST)**From:** Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)]

To: **Selected Bid Team(s)**
Pratt & Whitney Bid Team: Eleazar Rodriguez [Pratt & Whitney];

Cc: **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; ASTRID RODRIGUEZ [Puerto Rico Electric Power Authority (PREPA)]; Astrid Rodriguez [Puerto Rico Electric Power Authority (PREPA)]; Lionel Santa Crispin [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];

Message:

Hello Mr. Rodriguez, Thank you for sending this confirmation request. I have not yet received the letter of representation you mention having sent yesterday. Could you please resend the letter for our evaluation? Thank you once again, Delis Zambrana --- Original Message Sent 09/13/18 04:42 PM (EDT). --- Dear Natalia, Could you please confirm that the Letter of representation sent this morning to Mrs. Delis Zambrana was received and its comply with your previous requirements. Thanks very much for your support Best regards Eleazar Rodriguez

Subject: Confirmation of receiving ARG Letter of Representation

Natalia Martinez Lugo

From: Daniel Hernandez Morales
Sent: Thursday, September 13, 2018 8:39 AM
To: MIGUEL A. DEL VALLE MORALES
Cc: Fernando M. Padilla; Natalia Martinez Lugo; Delis Tamara Zambrana Colon; EDGARDO DIAZ REYES
Subject: RE: Mobile Generation RFP - Solicitud Extensión de Tiempo para Entrega Propuestas

Buenos días, se acordó con el CEO extender no más de **2 días con el propósito de contestar las preguntas.**

Saludos

Daniel

From: MIGUEL A. DEL VALLE MORALES
Sent: Wednesday, September 12, 2018 6:54 PM
To: Daniel Hernandez Morales
Cc: Fernando M. Padilla; Natalia Martinez Lugo; Delis Tamara Zambrana Colon; EDGARDO DIAZ REYES
Subject: Mobile Generation RFP - Solicitud Extensión de Tiempo para Entrega Propuestas

Buenas tardes Daniel,

La compañía Pratt & Whitney solicitó durante el día hoy una extensión de 2 semanas para la fecha de entrega de las propuestas para el RFP de las turbinas portátiles (Mobile Generation).

"In order to prepare a better and competitive proposal, we are respectfully requesting and submitting to your consideration a time extension of a proximately two weeks on the proposal submission deadline."

La fecha actual de entrega de propuestas es para el 20 de septiembre de 2018. Esta fecha se señaló luego que el pasado martes, 4 de septiembre de 2018, el ingeniero Ortiz (CEO) me solicitó que acortáramos el tiempo de entrega a dos semanas luego de publicado el RFP para tener como target de disponibilidad de las unidades para el 15 de diciembre de 2018. Si acaso fuéramos a considerar una extensión, entiendo se debe consultar con él.

Miguel Del Valle
Superintendente
Major Procurement Management Team
División de Ingeniería y Servicios Técnicos
Directorado de Generación
Office: 787.521.6616
787.521.1342
Mobile: 787.203.8690
Email: miguel.delvalle@prepa.com

September 13, 2018

Mrs. Delis Zambrana
PREPA
Purchasing Department

Subject: RFP # 82695 "MOBILE GENERATION UNITS"

Dear Mrs. Zambrana,

This letter is to inform you that PW Power Systems LLC ("PWPS") will bid its mobile gas turbine generation packages to only A R G Precision Corp. ("ARG") in connection with the PREPA RFP 82695 "MOBILE GENERATION UNITS" process. ARG has informed us that it intends to bid such mobile gas turbine generation packages, together with its engineering, procurement and construction services, to PREPA.


PWPS ratifies that ARG is fully and exclusively authorized to offer this power generation equipment and spare parts manufactured by PWPS and represent PWPS in connection with this RFP. As such, ARG will be able to sign and present its proposal, including our mobile gas turbine generation packages, and answer questions and clarifications to this RFP 82695 process on behalf of PWPS.

PWPS is dedicated to the success of this project and will support its development as well as aftermarket necessary during and after the expiration of the warranty of the equipment.

Sincerely,



Harsh Shah
Vice President – Sales & Business Development

 Print this Page**Subject: Clarification regarding Authorized/Exclusive Representatives****Date:** 09/13/18 09:21 AM (AST)**From:** Eleazar Rodriguez [Pratt & Whitney]**To:** **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; ASTRID RODRIGUEZ [Puerto Rico Electric Power Authority (PREPA)]; Astrid Rodriguez [Puerto Rico Electric Power Authority (PREPA)]; Lionel Santa Crispin [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];**Cc:** **Pratt & Whitney Bid Team:** Eleazar Rodriguez [Pratt & Whitney];**Message:**

Dear Mrs. Zambrana, On March 02, 2018, a NON-EMPLOYEE SALES REPRESENTATIVE AGREEMENT was signed between ARG PRECISION CORPORATION and PW Power System LLC. This agreement appoints ARG Precision Corporation to promote sales of the products and services of PW Power Systems, Inc. ("PWPS"), a group company of Mitsubishi Hitachi Power Systems, Ltd., within the Sales Territory of Puerto Rico and ARG Precision Corporation accepted and signed this appointment. This contract is fully confidential between the two parties and can not be display third parties without our Legal department written consent. I will submit a new Letter signed by our VP of Sales ratifying that ARG Precision Corporation is fully authorized by PWPS to represents us as our Exclusive representative in country for this RFP 82695 process in order to comply with your request, I highly appreciate your support Best regards Eleazar Rodriguez --- Original Message Sent 09/12/18 11:25 AM (EDT). --- ***Notice to all participants of this RFP*** The clarification sent on 09/06/18 references 'authorized representatives'. For purposes of this RFP, an authorized representative is a company that has a contractual agreement with the manufacturer for exclusive representation. For PREPA to grant access to this event 82695 to an exclusive/authorized representative of the manufacturer, the manufacturer must request that access be granted to the representative and provide evidence in the form of a copy of the contract that establishes the business relationship. Any confidential provisions of the contract shall be omitted from the copy provided to PREPA. PREPA will evaluate information regarding the date of the contract, its terms, the parties mentioned in the contract, among other commercial aspects. Please note that page 11 of the RFP document, under Section 3.1 Scoring Criteria, states the following requisite "Proponents shall demonstrate experience and success in fabricating, installing, testing and commissioning mobile gas turbines". Regards, Delis Zambrana

Subject: Clarification regarding Authorized/Exclusive Representatives**Date:** 09/12/18 11:25 AM (AST)**From:** Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)]**To:** **All Bid Teams****GE (General Electric) Bid Team:** Orlando Soto [GE (General Electric)];**Pratt & Whitney Bid Team:** Eleazar Rodriguez [Pratt & Whitney];**PRATT & WITTNEY Bid Team:** MAURICIO GARCES [PRATT & WITTNEY]; JEAN-SEBASTIEN RATELLE [PRATT & WITTNEY];**Siemens Energy, Inc Bid Team:** Alexander Johnson [Siemens Energy, Inc]; William Stefurak [Siemens Energy, Inc];**Cc:** **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; ASTRID RODRIGUEZ [Puerto Rico Electric Power Authority (PREPA)]; Astrid Rodriguez [Puerto Rico Electric Power Authority (PREPA)];

Rico Electric Power Authority (PREPA)]; Lionel Santa Crispin [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];

Message:

Notice to all participants of this RFP The clarification sent on 09/06/18 references 'authorized representatives'. For purposes of this RFP, an authorized representative is a company that has a contractual agreement with the manufacturer for exclusive representation. For PREPA to grant access to this event 82695 to an exclusive/authorized representative of the manufacturer, the manufacturer must request that access be granted to the representative and provide evidence in the form of a copy of the contract that establishes the business relationship. Any confidential provisions of the contract shall be omitted from the copy provided to PREPA. PREPA will evaluate information regarding the date of the contract, its terms, the parties mentioned in the contract, among other commercial aspects. Please note that page 11 of the RFP document, under Section 3.1 Scoring Criteria, states the following requisite "Proponents shall demonstrate experience and success in fabricating, installing, testing and commissioning mobile gas turbines". Regards, Delis Zambrana

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 [Print this Page](#)**Subject: Questions N0.1****Date:** 09/12/18 11:23 AM (AST)**From:** Eleazar Rodriguez [Pratt & Whitney]**To:** **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; ASTRID RODRIGUEZ [Puerto Rico Electric Power Authority (PREPA)]; Astrid Rodriguez [Puerto Rico Electric Power Authority (PREPA)]; Lionel Santa Crispin [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];**Cc:** **Pratt & Whitney Bid Team:** Eleazar Rodriguez [Pratt & Whitney];**Message:**

Dear Natalia, Please find attached the following questions: 1-) In order to prepare a better and competitive proposal, we are respectfully requesting and submitting to your consideration a time extension of a proximately two weeks on the proposal submission deadline. 2-) Page 6- RFP: Is PREPA considering a DLN option? Do PREPA's sites have water necessary for equipment operation? 3-) What is the emission requirements? 4-) Can you please let us know the minimum power required /engine? 5-) On the Operation and Maintenance contract form, all exhibits are missing. Could you please forward them to us? thanks very much Regards Eleazar Rodriguez

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 [Print this Page](#)**Subject: Missing General and Special Conditions Information****Date:** 09/12/18 12:33 PM (AST)**From:** Orlando Soto [GE (General Electric)]**To:** **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; ASTRID RODRIGUEZ [Puerto Rico Electric Power Authority (PREPA)]; Astrid Rodriguez [Puerto Rico Electric Power Authority (PREPA)]; Lionel Santa Crispin [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];**Cc:** **GE (General Electric) Bid Team:** Orlando Soto [GE (General Electric)];**Message:**

We can't find the General and Special Conditions from the download documents package. The contract makes reference to it. Please share, for review. Thanks,

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 [Print this Page](#)**Subject: Questionary N0.2****Date:** 09/12/18 02:51 PM (AST)**From:** Eleazar Rodriguez [Pratt & Whitney]

To: **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; ASTRID RODRIGUEZ [Puerto Rico Electric Power Authority (PREPA)]; Astrid Rodriguez [Puerto Rico Electric Power Authority (PREPA)]; Lionel Santa Crispin [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];

Cc: **Pratt & Whitney Bid Team:** Eleazar Rodriguez [Pratt & Whitney];

Message:

Dear Natalia, Please find attached the second set of Questions Thanks very much, highly appreciate your support Regards Eleazar Rodriguez


Attachments:**Description File Name**

	<u>Type</u>	<u>Date</u>	<u>Submittals</u>
Set of att_QUESTIONS_-PWPS_-RFP_82695_Mobile_Generation_Units_Yabucoa_Palo_Seco.pdf	Message	09/12/18	
Questions No.2	Attachment		

Print

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33. Please confirm if there is an alternate voltage power source (208/120 V) in each plant for temporary camp feeding, tools and equipment to be used during the assembly and commissioning of the work.
34. Please indicate the Availability of facilities within the Plant, for the storage and custody of machinery, equipment, materials and tools, required for the assembly of the work.
35. Please confirm the permits, regulations and conditions that are required to access and work within the facilities of the plant.
36. Due to the aggressive delivery date of the project, if there was any difficulty in any auxiliary equipment, could we rent or use a replacement and later replace it with the new one so as not to affect the delivery of the project?
37. Will operators be required 24 hours a day at each station?
38. Is the capacity factor of the units known? Is there any estimate for this? This is needed to know if the proposal will include inspections of the 12,500 hours and or 25,000 hours etc.
39. To supply all the consumable, strategic and troubleshooting parts it is necessary to acquire the list of those recommended by PWPS then they would be replaced during the contract period without additional cost. These costs must be added to the base price of the equipment or separately?
40. Please indicate if the new mobile equipment will be under the umbrella of the Title V permits of each Facility (Yabucoa-Palo Seco)
41. Please clarify the concept that is indicated in the terms of payment and that refers to a Power Purchase Agreement.

 [Print this Page](#)**Subject: Question No. 3****Date:** 09/12/18 03:22 PM (AST)**From:** Eleazar Rodriguez [Pratt & Whitney]**To:** **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; ASTRID RODRIGUEZ [Puerto Rico Electric Power Authority (PREPA)]; Astrid Rodriguez [Puerto Rico Electric Power Authority (PREPA)]; Lionel Santa Crispin [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];**Cc:** **Pratt & Whitney Bid Team:** Eleazar Rodriguez [Pratt & Whitney];**Message:**


Dear Natalia Another question: If no water injection is used and working on liquid fuel is it possible that the net power range of the units will be reduced to at least 22 MW? Thanks very much regards Eleazar Rodriguez

[Print](#)[Close](#)

 [Print this Page](#)**Subject: Questions No.4****Date:** 09/12/18 05:55 PM (AST)**From:** Eleazar Rodriguez [Pratt & Whitney]**To:** **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; ASTRID RODRIGUEZ [Puerto Rico Electric Power Authority (PREPA)]; Astrid Rodriguez [Puerto Rico Electric Power Authority (PREPA)]; Lionel Santa Crispin [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];**Cc:** **Pratt & Whitney Bid Team:** Eleazar Rodriguez [Pratt & Whitney];**Message:**

Dear Natalia, Please find enclosed another question: Q: Are these 60 calendar days considering the permitting process? Please note that air emission permits (construction and operation) could take around 4 to 6 months Could you please explain? Thanks very much Best Regards Eleazar Rodriguez

[Print](#)[Close](#)

 Print this Page**Subject: Request for Information/Clarification****Date:** 09/12/18 08:02 PM (AST)**From:** Alexander Johnson [Siemens Energy, Inc]**To:** **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; ASTRID RODRIGUEZ [Puerto Rico Electric Power Authority (PREPA)]; Astrid Rodriguez [Puerto Rico Electric Power Authority (PREPA)]; Lionel Santa Crispin [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];**Cc:** **Siemens Energy, Inc Bid Team:** Alexander Johnson [Siemens Energy, Inc]; William Stefurak [Siemens Energy, Inc];**Message:**

Please see attache document or Request for Information/Clarification. Regards,

Attachments:

<u>Description</u>	<u>File Name</u>	<u>Type</u>	<u>Date</u>	<u>Submittals</u>
Siemens Request for Information/Clarification	att_PREPA_RFP_82695_-_Siemens_Request_for_Information__Clarifications.docx	Message Attachment	09/12/18	

Print

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PREPA RFP 82695: Request for Information/Clarification:

PREPA Questions:

1. RFP requires remote communication to PREPA's Energy Control Center. Please describe where and how communication is expected (direct fiber, radio signals, etc ...) and communication protocol (Modbus TCP/IP, DNP3, other?).
2. Yabucoa states a 13.2KV secondary voltage on existing 50MVA transformer. Confirm if XFMR tap is set for 13.8KV secondary voltage to match requested generator nominal output voltage.
3. Palo Seco simply states 115KV GIS and does not mention the lower voltage bus or transformer ratings. Please describe what is expected at Palo Seco for final connections.
4. Will PREPA provide their existing relay protection drawings since we have to coordinate with their systems, particularly the shared GSU?
5. Please provide general arrangements for each site.
6. Please provide site existing foundation and underground drawings
7. Does PREPA have an expected timeline between Selection of Proposal and Notification and NTP?
8. Please provide geotechnical reports for each site.
9. Does PREPA intend to operate the mobile power units with water injection?
10. Does PREPA intend to operate the mobile power units with natural gas?
11. Confirm O&M services are only for diesel fuel operation
12. Will PREPA be drafting and submitting the air permit(s)?
13. Will PREPA consider alternates to centrifugal fuel conditioning as long as the required turbine fuel conditions are met?
14. Will any PREPA operators be utilized during the term of the O&M agreement?
15. Is 24/7 coverage required on site for operations during the O&M agreement?
16. Is field emissions testing required? Is this part of 45/60 day schedule requirements?
17. Will secured laydown area be made available by PREPA? If so, please provide drawing showing usable laydown area
18. Yabucoa – Please describe existing fuel unloading requirements. Will new unit be isolated from remaining plant fuel system?
19. Are fuel forwarding pumps available at each site?
20. Please provide site fuel oil tank sizes (height and capacity) and elevations.
21. Besides more permanent terminations on the electrical wiring (routing, connections, enclosures, etc.) will PREPA recommend a specific route or will the existing one be followed for Palo Seco?
22. Will PREPA require specific materials and configurations for the electrical wiring?
23. Will the Fuel lines that run near the generating units be routed over ground like they are currently in Palo Seco or will PREPA require trenches?
24. Will PREPA provide electrical power and water services for the project's construction phase at both sites?
25. Will PREPA offer any logistics assistance in getting the units to the sites, such as police escorts?
26. Will PREPA provide water (potable and service) services for the project's operation phase in both sites?
27. Can contractor tie into existing fire water loops at each site?
28. What are site fire protection requirements for fuel forwarding system?
29. Will revenue caliber meters be required for fuel consumption? What accuracy is required?


30. Please describe electrical metering requirements for new units. Is revenue quality metering required?
31. Please provide details on existing ground grid.
32. Will PREPA provide daily Diesel tank levels or a level indication to the operator? Since the operator won't have the control of the fuel supply, the tank level is indispensable for operational reasons.
33. Will PREPA require an Interconnection Study and associated fee?
34. Will PREPA require a utility direct transfer trip signal?
35. Do the 45 and 60 day completion dates and associated penalties include the 10 day allowance for final acceptance as outlined in the draft contract?
36. Are double wall tanks required for fuel oil storage?
37. Is lighting available for roads and anticipated laydown areas?
38. What are the working restrictions for cranes
39. Please provide existing site liquid fuel P&ID
40. What is the contractor job trailer size limitation/location/power availability
41. What is the existing distance between the site generator circuit protector and GSU
42. Please provide copies of foundation area drawing for both sites.
43. Per Section 3.1, Price Proposal, please clarify how power and heat rate differences will be evaluated.
44. Please confirm if fuel pumps must be installed in a trench
45. Is a Lift oil pump required?
46. Please provide the following document in English language: "GUIAS PARA PROCESOS DE ADQUISICIONES DE BIENES Y SERVICIOS A TRAVES DE SOLICITUD DE PROPUESTAS"
47. Please provide Exhibit A "EQUIPMENT SPECIFICATION" which is mentioned in the OPERATIONS AND MAINTENANCE AGREEMENT
48. Please provide Exhibit B "OPERATING SPECIFICATIONS" which is mentioned in the OPERATIONS AND MAINTENANCE AGREEMENT.
49. Please provide Exhibit C "MAINTENANCE OBLIGATIONS" which is mentioned in the OPERATIONS AND MAINTENANCE AGREEMENT.
50. Please provide Exhibit D "TRAINING" which is mentioned in the OPERATIONS AND MAINTENANCE AGREEMENT.
51. Please provide Exhibit E "TIME AND MATERIAL" which is mentioned in the OPERATIONS AND MAINTENANCE AGREEMENT.
52. Please provide Exhibit F "TRANSFER PROTOCOL/TRANSITION PHASE" which is mentioned in the OPERATIONS AND MAINTENANCE AGREEMENT.
53. Please clarify the following statement contained in page 8 of the Operations and maintenance agreement:
 - a. (i) to perform in a timely manner all required maintenance of the Purchased Equipment other than the routine maintenance to be performed by Contractor as specified in Exhibit C to this Agreement (in this regard, the Parties acknowledge that PREPA shall be responsible for any hot section exchanges)
54. Please clarify who shall procure and maintain all OPERATION permitting. There seem to be a contradiction between the Operations and Maintenance Agreement, Section 4, item (e) and the RFQ 82695, Section 2 (last paragraph).
55. Please provide clarification with regards to the 'Effective Date' and Execution Date, as defined in the Operations and Maintenance Agreement (O&M). Is the intent for the O&M to commence at the same time as the Purchase Agreement?

56. Please confirm offices, restrooms and canteen facilities will be provided to contractor by PREPA for during the O&M period.
57. The RFP and the Terms and Conditions sections refer to Contractor's obligation to meet all Plant permit requirements. Please provide copies of the Plant permits for both site locations.
58. Please clarify and provide further details concerning the following statement: Existing equipment, materials or installations shall be properly relocated by the Contractor and reinstalled, as per instructed by PREPA.

 [Print this Page](#)**Subject:** ARG Precison Corp**Date:** 09/11/18 07:58 AM (AST)**From:** Eleazar Rodriguez [Pratt & Whitney]**To:** **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; ASTRID RODRIGUEZ [Puerto Rico Electric Power Authority (PREPA)]; Astrid Rodriguez [Puerto Rico Electric Power Authority (PREPA)]; Lionel Santa Crispin [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];**Cc:** **Pratt & Whitney Bid Team:** Eleazar Rodriguez [Pratt & Whitney];**Message:**

Dear Madam, Please find attached a Letter appointing ARG Precision Corp as PWPS sole representative for this RFP 82695 Best regards Eleazar Rodriguez

Attachments:

<u>Description</u>	<u>File Name</u>	<u>Type</u>	<u>Date</u>	<u>Submittals</u>
Representation Letter	att_PWPS-RFP_82695-ARG.pdf	Commercial and Administrative	09/11/18	

[Print](#)[Close](#)

September 11, 2018

Attention:
Purchasing Department
Mrs. Natalia Martinez Lugo

Subject: PREPA REQUEST FOR PROPOSALS for Mobile Generation Units " RFP
82695

Dear Madam,

Hereby we confirm that ARG Precision Corp., will act as PWPS sole representative for this PREPA's Request for Proposal Process for the acquisition of MOBILE Power Generation Units and is fully authorized to offer power generation equipment on behalf of PWPS.

Our Company is compromised with the success of this project and will fully support its development as well as aftermarket necessary during and after the expiration of the warranty of the equipment.

Sincerely



Eleazar F. Rodriguez

PWPS Latin American Sales director



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority

ATTENDANCE SHEET

KICK-OFF MEETING AND SITE VISIT

RFP 82695 MOBILE GENERATION UNITS

SEPTEMBER 11, 2018 - 8:30AM Palo Seco

NAME	SIGNATURE	COMPANY OR DEPARTMENT	EMAIL
Jihad (Jack) Wannan		Siemens	Jack.wannan@siemens.com
ALEJANDRO BELLO		RPS	a.bello@swes.com
Bradley Krupa		Siemens	bradley.krupa@siemens.com
Dennis Everett		Siemens	dennis.everett@siemens.com
Rafael Perez		Tingel Power	rperez@cobratel.com
VINAY SRINATH		GE	vinay.srinath@ge.com
Robin Adams		GE	robin.adams@ge.com
Amaral & Rodriguez		PWPS / ARS Precision	AJ Rodriguez & argprecision.com
Gustavo Hernandez		PWPS / ARS Precision	gustavahernandez@OTW.com.ve
Jose Bobles		GE / AG Engineering	jose.bobles@gepr.com
David Hoop		Tingel Power	dhoop@jingel-power.com
Teo Hernandez		DLO Energy	thelero@loenergy.com
José C. Vargan Va		AGE	
Carlos M. Bermudez		AGE	CarlosM.Bermudez@prepa.com
José M. Cruz Perón		AGE	jose.cruz@prepa.com
Natalia Martinez		PREPA	natalia.martinez@prepa.com
Florencia Perez		Trunk / Conr	fperez@cobratel.com
Ramon Ortiz		GE	ramon.ortiz@ge.com
José M. Hernandez		PREPA	JoséM.Hernandez@prepa.com
Natalia Ramirez		AGE	natalia.Ramirez@prepa.com


















ATTENDANCE SHEET

KICK-OFF MEETING AND SITE VISIT

RFP 82695 MOBILE GENERATION UNITS

SEPTEMBER 11, 2018 - 8:30AM

Site Visit Yaburua

NAME	SIGNATURE	COMPANY OR DEPARTMENT	EMAIL
Bradley Krupa		Siemens	bradley.krupa@siemens.com
Jack Wanna		Siemens	jack.wanna@siemens.com
David Heup		Fingoli Power	dheup@fingolipower.com
Kean Kewin		DCB ENRUK	dkeller@dcenergy.com
Alexandro Bello		RPS	a.bello@swes.com
Dennis Everett		Siemens	dennis.everett@ge.com
Jimmy Rivera		A.R.G. Prescia	jimmyrarg@gmail.com
Gustavo Mantanero		ARG Brizim	gmanzanro@brw.com
Rafael Perez		JINKO21/Cobra	rperez@cobratel.com
Florian Perre		Jinko/Cobra	florian.perre@td.com
Natalia Martinez		PREPA	natalia.martinez@prepa.com
Miguel Delgado		PREPA	miguel.delgado@prepa.com
Serge Lopez		PREPA	Serge Lopez@PREPA.com
Jose Robles		RG Eng / GE	jose.robles@ge.com
Vinay Srirath		GE	vinay.srirath@ge.com
Bob Adams		GE	robin.madams@ge.com
Axel Villalobos		AEE	



GOVERNMENT OF PUERTO RICO
Puerto Rico Electric Power Authority

**Mobile Generation Units
RFP 82695**

ADDENDUM 1

This addendum notifies the following:

I. KICK-OFF MEETING & SITE VISIT

- a. PREPA has scheduled a kick-off meeting and sites visit on September 11, 2018. The meeting point will be the main gate of the Palo Seco Power Plant at 8:30am and Yabucoa Power Station at 1:30pm. Vendors participating in this kick-off meeting and site visit will be allowed access to the Plant with the designated PREPA personnel. This is a non-compulsory visit. To be allowed access to the site, vendors shall have: safety footwear, safety glasses, hearing protection, hard hats, valid photo identification (preferably a TWIC card).

Important Note:

- For those proponents that do not comply with the safety requirements, access will not be authorized to the site.
- Confirmation required via PowerAdvocate Messaging Tab on or before September 10, 2018 at 1:00pm.

All other terms, conditions and specification of this RFP remain unchanged.



Sourcing Intelligence

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**82695 : MOBILE GENERATION****Puerto Rico Electric Power Authority (PREPA)**

Open: 09/05/18 08:00 PM (AST) Close: 09/20/18 11:59 PM (AST) Time Remaining: 14 days

Setup Status RFx Submittals Commercial Technical Pricing

Messaging

Supplier Preview

This page provides status information for bid teams participating in an event.

September, 2018							
<<	<	Today	>	>>			
wk	Sun	Mon	Tue	Wed	Thu	Fri	Sat
34							1
35	2	3	4	5	6	7	8
36	9	10	11	12	13	14	15
37	16	17	18	19	20	21	22
38	23	24	25	26	27	28	29
39	30						
Select date							

Schedule

(Edit)

Description	Assignee
Open	
Sites Visits	
Last day to Submit Questions	
Issuance of Answers to Questions	
Close	
Short List Selection, Presentation or Interviews (If appli...	

Bidding Summary

View

All

(Edit)

Bidding Team	Bid Intention	Requests	Last Contact	RFX Accessed	Uploaded Files	Saved Forms	Last Saved	Primar
GE (General Electric)	Bidding	0		0	0 of 2			Soto

Buyer:


(Edit Contacts)

Contacts	Company	Last Visited Event	Work	Cell
Reinaldo De Leon Colon	Puerto Rico Electric Power Authority (PREPA)		7875216659	
Miguel Del Valle	Puerto Rico Electric Power Authority (PREPA)	09/05/18 11:14 PM AST	787-521-6616	

Bidding Team Details

View

All



GE (General Electric)

(New) >

Bid Status: Approved

Bid Intention: Bidding >

Contacts	Status	Company	Last Visited Event	Work	Cell
Orlando Soto	Active	GE (General Electric)		787-999-6410	787-450-7895


Pratt & Whitney

(New) >

Bid Status: Approved

Bid Intention: Bidding >

Contacts	Status	Company	Last Visited Event	Work	Cell
Eleazar Rodriguez	Active	Pratt & Whitney		Tel: (860) 8602022973	2022973

Natalia Martinez Lugo

From: MIGUEL A. DEL VALLE MORALES
Sent: Sunday, September 09, 2018 8:22 PM
To: EDGARDO DIAZ REYES; Delis Tamara Zambrana Colon; Natalia Martinez Lugo
Subject: FW: RFP Mobile Generation - Siemens EPC Question

FYI.

From: Astrid I. Rodríguez Cruz
Sent: Sunday, September 9, 2018 3:55 PM
To: MIGUEL A. DEL VALLE MORALES <MIGUEL.DELVALLE@prepa.com>
Cc: Daniel Hernandez Morales <DANIEL.HERNANDEZM@prepa.com>; Jaime Arturo Umpierre Montalvo <JAIME.UMPIERRE@prepa.com>; JOSE VAZQUEZ VERA <JOSE.VAZQUEZV@prepa.com>
Subject: Re: RFP Mobile Generation - Siemens EPC Question

Saludos Miguel,

concurro contigo de negociar solo con el fabricante o un representante exclusivo de ellos, si presenta evidencia de que esa relación contractual existe.

Astrid


From: MIGUEL A. DEL VALLE MORALES
Sent: Friday, September 7, 2018 3:21:34 PM
To: Astrid I. Rodríguez Cruz
Cc: Daniel Hernandez Morales; Jaime Arturo Umpierre Montalvo; JOSE VAZQUEZ VERA
Subject: RFP Mobile Generation - Siemens EPC Question

Buenas tardes Astrid,

Hoy recibimos una pregunta de Siemens sobre el RFP de las turbinas portátiles, en la que solicitan que se les permita participar a un EPC (Engineering, Procurement, Construction) y que Siemens sea el 'major equipment supplier'. Ayer se les envió la aclaración de que solo fabricantes o sus representantes autorizados pueden participar en el evento.

Según ya hemos discutido antes, la razón principal para que esto sea un RFP es poder negociar directamente con los fabricantes (o sus representantes autorizados en caso que haya ese acuerdo contractual) para obtener un mejor precio y servicio sin que medien intermediarios. Esto se estableció en el memorando justificativo de Generación para este RFP.

Mi opinión es que si le permitimos a Siemens que participe a través de un EPC, tendríamos que permitir que otros proponentes participen aun sin ser un representante autorizado del fabricante, por lo que preferiría que continuáramos solo con los fabricantes (o sus representantes). ¿Qué opinas?

 [Print this Page](#)**Subject: Missing Attachments****Date:** 09/07/18 01:31 PM (AST)**From:** Alexander Johnson [Siemens Energy, Inc]**To:** **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Chad Balken [Puerto Rico Electric Power Authority (PREPA)]; Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Marcus Klintmalm [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; ASTRID RODRIGUEZ [Puerto Rico Electric Power Authority (PREPA)]; Astrid Rodriguez [Puerto Rico Electric Power Authority (PREPA)]; Lionel Santa Crispin [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];**Cc:** **Siemens Energy, Inc Bid Team:** Alexander Johnson [Siemens Energy, Inc]; William Stefurak [Siemens Energy, Inc];**Message:**

The following attachments were missing, please provide: Natural Gas (NG) specification Distillate #2 fuel (diesel) specification Water quality Air quality Drawings and Areal photos Thanks

[Print](#)[Close](#)

 [Print this Page](#)**Subject: Procurement of Equipment and Services/Power Purchase Agreement Clarification Request****Date:** 09/06/18 11:11 AM (AST)**From:** Alexander Johnson [Siemens Energy, Inc]**To:** **Puerto Rico Electric Power Authority (PREPA) Buyer Team:** Reinaldo De Leon Colon [Puerto Rico Electric Power Authority (PREPA)]; Miguel Del Valle [Puerto Rico Electric Power Authority (PREPA)]; Felix Hernandez Caban [Puerto Rico Electric Power Authority (PREPA)]; Natalia Martinez Lugo [Puerto Rico Electric Power Authority (PREPA)]; Delis Zambrana [Puerto Rico Electric Power Authority (PREPA)];**Cc:** **Siemens Energy, Inc Bid Team:** Alexander Johnson [Siemens Energy, Inc];**Message:**

There is conflicting information in the RFP documentation as to whether this will be a simple procurement of equipment and services by PREPA or a Power Purchase Agreement (as stated in the Article 8 Payment Terms & Methods of Payments in the RFP). Please clarify.

[Print](#)[Close](#)

Natalia Martinez Lugo

From: JOSE VAZQUEZ VERA
Sent: Tuesday, September 04, 2018 11:38 PM
To: MIGUEL A. DEL VALLE MORALES; Natalia Martinez Lugo
Cc: Delis Tamara Zambrana Colon; Felix A. Hernández Cabán; Astrid I. Rodríguez Cruz; Daniel Hernandez Morales
Subject: Re: Mobile Generation - Possible Proponents
Attachments: 012FA6C0-FAE2-4C0D-91F8-A3126E80D15C.jpeg

Hola a todos!

Incluyo información de contacto de los fabricantes de esas turbinas móviles. Sugiero que estudien la posibilidad de que se les indique a ellos la naturaleza específica de que es un proceso por invitación a los fabricantes para una adquisición directa de las unidades al fabricante agraciado, según los documentos del proceso de RFP.

Saludos,

JV

From: MIGUEL A. DEL VALLE MORALES
Sent: Tuesday, September 4, 2018 9:45:35 PM
To: Natalia Martinez Lugo
Cc: Delis Tamara Zambrana Colon; Felix A. Hernández Cabán; Astrid I. Rodríguez Cruz; JOSE VAZQUEZ VERA
Subject: Mobile Generation - Possible Proponents

Natalia,

Este RFP de Mobile Generation será cerrado solo para los fabricantes de turbinas en el rango especificado en los documentos, según discutido con la Jurídica. Los licitadores que debemos invitar para el proceso son los siguientes:

- GE
- Siemens
- Pratt & Whitney

Miguel Del Valle
Superintendente
Major Procurement Management Team
División de Ingeniería y Servicios Técnicos
Directorado de Generación
Office: 787.521.6616
787.521.1342
Mobile: 787.203.8690
Email: miguel.delvalle@prepa.com

Potential Suppliers of Temporary Power Systems in the 50 MW Range

1) General Electric Company

Orlando Soto
Product Sales, Gas Turbines
GE Power
Power Generation Services

Tel. (787) 999 6410
Mobile (787) 450 7895
email: orlando.soto@ge.com

2) Siemens Energy Inc.

Alexander Johnson
Siemens Energy, Inc.

11950 Corporate Boulevard
Orlando, FL 32826, USA

Tel.: (407) 736-3266
Mobile: (407) 929-2839
email: alexander.johnson@siemens.com

3) PW Power Systems (Pratt & Whitney)

Eleazar F. Rodriguez
Area Sales Director
eleazar.rodriguez@pwps.com
628 Helbron Ave.
Suite 400
Glastonbury, CT 06033

- Jean-Sebastien Ratelle
jean-sebastien.ratelle@pwc.ca
P. 450.468.1044
C. 450.468.1044

Tel. (860) 202-2973
Mobile (860) 202-2973

- mauricio Garce
mauricio.garce@pwc.ca
P. 954.989.4637



GOVERNMENT OF PUERTO RICO
Puerto Rico Electric Power Authority

August 20, 2018

Office for Contracts and Procurement Compliance (OCPC)

Major Procurement Management Team (MPMT)

RESPONSE OCPC RFI NO. 110 RFP 82695 MOBILE GENERATION

1. PREPA to clarify whether the requirement in Section 4.6 of the Guide for a petition by PREPA for proponents to be able to submit, before the proposal, Alternative Technical Concepts or Alternative Financial Concepts, applies.

For this particular event PREPA will not require the alternative technical or financial concepts. These alternatives concepts are options that allow proponents to submit innovations and creativity in the technical and financial aspects in their proposals. PREPA is not obliged to request these alternatives.

2. Please include a clause expressly indicating that the RFP may be amended by the publication of addenda, as required by Section 4.6 of the Guide.

Please refer to Section 1.3 Timeline of the draft RFP.

3. Section 4.7 of the Guide requires that Requests for Clarification must be presented by proponents at least 15 days prior to the due date for submitting the proposals. Section 1.3 of the RFP establishes that proposers have until August 28, 2018 to submit questions and the deadline to submit proposals is September 7, 2018. 15 days prior to September 7, 2018 is August 23, 2018. Please update the dates to reflect this requirement.

Section 4.7 of the RFP Guide establishes that the following (An unofficial translation is provided below):

"A Proponent may request one or more Requests for Clarifications up to a maximum of fifteen (15) calendar days (or the amount, greater or lesser, of days, as specified in the Request for Proposals); before the due date to submit Proposals specified in the request for Proposals."

Therefor the timeline complies with the RFP Guide.



4. Please expressly establish that responses to Requests for Clarifications shall be published 3 days prior to the due date for the submittal of proposals, as required by Section 4.7 of the Guide. (An unofficial translation is provided below).

Section 4.7 of the RFP Guide indicates that “Any response from PREPA to written or oral requests from the potential Proponents, shall compile in one or more addenda that will be divulged or circulated to all potential Proponents that have registered with PREPA at least three (3) calendar days, before the Proposal due date established in the Request for Proposal”. Section 1.6 of the RFP documents draft includes the timeline periods between the key events and establishes that there are seven calendar (7) days from the potential proponents’ questions deadline to PREPA’s answers deadline. Also, as a general rule, the RFP Guide is one of the documents that PREPA includes in every Power Advocate event, so is available to all companies that request access to the event.

Annex

4.7 Solicitud de Aclaración - Los Proponentes pueden solicitar cualquier aclaración, explicación o interpretación de una Solicitud de Propuestas sólo según se dispone en esta sección.

Después de emitirse una Solicitud de Propuestas, un Proponente podrá solicitar una o más Solicitudes de Aclaración hasta un máximo de quince (15) días calendario (o la cantidad, ya sea menor o mayor, de días, según se especifique en la Solicitud de Propuestas); antes de la fecha límite para someter Propuestas especificadas en la Solicitud de Propuestas. Cualquier Solicitud de Aclaración por parte de un Proponente solo podrá hacerla por escrito y utilizando el medio de mensajería electrónica que se estipule en las instrucciones del RFP. La Autoridad ha determinado utilizar un portal electrónico especializado para la publicación de procesos de adquisiciones *PowerAdvocate® Sourcing Portal*, por lo que ninguno de los Proponentes estará autorizado a utilizar ningún otro método alternativo al aquí designado.

Los representantes de la Autoridad y/o del Comité o Equipo Evaluador también podrán participar en una o más Conferencias con Antelación a la Propuesta. En tales reuniones o conferencias, los Proponentes también pueden solicitar a la Autoridad una aclaración, explicación o interpretación de cualquier material contenido en la Solicitud de Propuestas. La Solicitud de Aclaración de los Proponentes en una Conferencia con Antelación a la Propuesta no tendrá que ser por escrito. Las conferencias se realizarán a través de medios electrónicos de video conferencias, conferencias vía web o teléfonos. La Autoridad se reserva el derecho de grabar estas conferencias para asegurar la transparencia, certeza y calidad de los procesos. En el caso que la Autoridad opte por esta opción, la misma será anunciada previo al inicio de la conferencia.

Cualquier respuesta de la Autoridad a peticiones escritas u orales de parte de Proponentes potenciales, podrá compilarse en una o más adendas que se divulgarán o circularán a todos los Proponentes potenciales que se hayan registrado con la Autoridad al menos tres (3) días calendario, antes de la fecha de vencimiento de la Propuesta establecida en la Solicitud de Propuestas. Si una o más adendas se circulan a menos de tres (3) días de la fecha de vencimiento establecida en la Solicitud de Propuestas, entonces la fecha de vencimiento de la Propuesta se entenderá cambiada a la fecha que sea tres (3) días después de la fecha en que dicha adenda se haya circularado. Sin embargo, si la Autoridad, a su discreción, identifica que una Solicitud de Aclaración o la correspondiente Respuesta a los Proponentes es de naturaleza menor o administrativa, la Autoridad podrá emitir una Respuesta a los Proponentes a menos de tres (3) días de la fecha de vencimiento de la Propuesta. No obstante lo anterior, una Solicitud de Aclaración con respecto a un CTA o CFA se tratará como confidencial y se emitirá una aclaración sólo al Proponente que la solicite.

Se advierte que la Autoridad ha establecido que las contestaciones mediante adendas serán distribuidas a través de las herramientas de mensajería

electrónica disponible en el portal electrónico especializado. Esto permitirá mayor agilidad, flexibilidad y permitirá que todos los participantes tengan la misma contestación al mismo tiempo, garantizando el envío y recibo de las mismas. A través de este medio se mantendrá un historial de fechas, tiempos, preguntas y personas que formulan las mismas, garantizando así el fiel cumplimiento con los parámetros de tiempo aquí establecidos.

Sólo las respuestas escritas provistas por la Autoridad, a través de la plataforma de publicaciones electrónicas de la Autoridad, serán oficiales. Cualquier otro tipo de comunicación con cualquier funcionario, empleado o agente de la Autoridad, el Comité o Equipo Evaluador o la Unidad de Negocio o Directorado, División, Departamento, Oficina o persona, incluyendo cualquier respuesta oral durante cualquier Conferencia con Antelación a la Propuesta, no se considerará una respuesta oficial de la Autoridad o de dicho comité.

En aquellos casos en los cuales una Solicitud de Propuestas incluya un borrador del Contrato o Acuerdo de Compras, la Solicitud de Propuestas especificará la forma en que (i) los Proponentes podrán someter comentarios o sugerencias al borrador de Contrato o Acuerdo de Compras, y la forma en que (ii) el borrador revisado del Contrato o Acuerdo de Compras, si alguno, se distribuirá a los Proponentes.



GOVERNMENT OF PUERTO RICO
Puerto Rico Fiscal Agency and Financial
Advisory Authority

Office for Contracts and Procurement Compliance ("OCPC")
Request for Information

Date Issued: August 16, 2018
Functional Area: Major Procurement Management Team
Request Number: 110

Dear Major Procurement Management Team,

The Office for Contracts and Procurement Compliance ("OCPC") is authorized under Executive Order 2017-66 to ensure that PREPA procures goods and services in compliance with applicable Puerto Rico and federal laws and requirements (including any FEMA funding requirements), and in accordance with best practices.

Executive Order 2017-66 requires, upon request from the OCPC, that PREPA personnel provide certain critical information related to PREPA procurements.

Pursuant to this Request for Information, please provide the OCPC with the following information by August 22, 2018 via electronic format (email, excel report, PDF attachment, scanned documents, etc.) at OCPC@aafaf.pr.gov. Please reference "Response to Request for Information" in the subject line of your reply.

Please provide the following information in the re-submission of docket no. 193 RFP 82695 Mobile Generation Units:

- ✓ 1. PREPA to clarify whether the requirement in Section 4.6 of the Guide for a petition by PREPA for proponents to be able to submit, before the proposal, Alternative Technical Concepts or Alternative Financial Concepts, applies.
- ✓ 2. Please include a clause expressly indicating that the RFP may be amended by the publication of addenda, as required by Section 4.6 of the Guide. *Included RFP Timeline Section 1.6*
3. Section 4.7 of the Guide requires that Requests for Clarification must be presented by proponents at least 15 days prior to the due date for submitting the proposals. Section 1.3 of the RFP establishes that proposers have until August 28, 2018 to submit questions and the deadline to submit proposals is September 7, 2018. 15 days prior to September 7, 2018 is August 23, 2018. Please update the dates to reflect this requirement.
4. Please expressly establish that responses to Requests for Clarifications shall be published 3 days prior to the due date for the submittal of proposals, as required by Section 4.7 of the Guide.

Please contact Chris Sorensen at OCPC@aafaf.pr.gov if you have any questions regarding this request.

Thank you for your cooperation and we look forward to working with you toward an efficient, compliant procurement process at PREPA in support of PREPA's mission to quickly restore power for the people of Puerto Rico.

Sincerely,

Ottmar Chavez
Director of the Office for Contracts and Procurement Compliance

FAFSA

CONFIDENTIAL / DRAFT FOR DISCUSSION / IMPLEMENTATION



GOVERNMENT OF PUERTO RICO

Puerto Rico Fiscal Agency and Financial Advisory Authority

By Electronic Mail

August 24, 2018

Astrid Rodriguez
Puerto Rico Electric Power Authority
San Juan, Puerto Rico

RE: Review of PREPA's Request for Proposals No. 82695 for Mobile Generation Units
Observations, Feedback Not Required

Dear Astrid Rodríguez:

In accordance with the procurement action review procedure for the Office for Contract and Procurement Compliance ("OCPC") (version 6, published July 3, 2018); established by Executive Order 2017-066 (issued Nov. 8, 2017), OCPC completed review of the Puerto Rico Electric Power Authority's ("PREPA") RFP No. 82695 for Mobile Generation Units (the "Procurement Action"), which PREPA submitted for OCPC review on August 21, 2018. OCPC reviewed the Procurement Action for compliance with FEMA and local Puerto Rico contracting requirements.

Based upon its assessment, OCPC provides the attached reports with "Observations, Feedback Not Required" because OCPC has identified areas of risk, however the areas of risk are not considered high and do not require feedback from PREPA. It is PREPA's responsibility to take corrective action based on the observations provided and proceed with the procurement as it sees fit. Specifically,

- Approval from PREPA's Board of Directors is required under Section 15(2)(f) of the PREPA Act and Section B of the Rules for Levels of Approval of Documents (*Norma Sobre Niveles de Aprobación de Documentos*).
- PREPA to address the recommended contract revisions in Baker Donelson's risk assessment.
- PREPA to revise the termination provision in the draft Mobile Generation Units contract to comply with FEMA requirements.
- PREPA to document the basis for its cost estimate.
- PREPA to document the basis for assumptions in its lease versus purchase analysis.
- PREPA to require the contractor to provide information to PREPA regarding tax credits or tax exemptions impacting the tax gross up provision and to provide reimbursement of any duplication of benefits.

The enclosed reports provide additional information. Note that these findings reflect the limits of the information made available to OCPC for review and are conditioned on PREPA taking actions, as specified in the underlying assessment reports.

This letter and its attachments do not constitute legal advice nor guarantee that the Procurement Action complies with all applicable laws, rules, and regulations. OCPC reserves the right to modify its findings and this letter based on information not available at the time this

review is conducted.

Ottmar Chavez
Director
Office for Contract and Procurement Compliance

Encl.

- A- Pietrantonio Mendez & Alvarez LLC-prepared Puerto Rico Procurement Procedure and Regulatory Compliance Review Abstract
- B- Horne LLP Procurement Checklist
- C- Baker, Donelson, Bearman, Caldwell & Berkowitz PC Procurement Compliance Risk Assessment

Natalia Martinez Lugo

From: OCPC <ocpc@aafaf.pr.gov>
Sent: Friday, August 24, 2018 10:37 AM
To: PROCUREMENT PREPA; MPMT
Cc: Ann Cleland; Zaltsberg, Michelle; María Cecilia Santos; Viviana Ramirez; Marilyn Coit; Eunice Garcia; Ottmar J. Chavez Piñero
Subject: Request for Proposals No. 82695 for Mobile Generation Units - OCPC Cover Letter
Attachments: 4818-6398-4752 v.1 PREPA Risk Assessment Cover Report - Mobile Generation Units RFP.pdf

Good morning,

Please find attached the OCPC cover letter for the request for proposals number 82695 for Mobile Generation Units. "Observations, Feedback Not Required" is the final status. At the next submission of this RFP, we will follow up to determine if the observations listed in the OCPC cover letter were addressed. We are glad to schedule a debrief meeting to discuss any questions you have related to the observations, let us know who to include.

Kind regards,
Viviana Ramirez

To stop receiving messages from [MPMT](#) group, [stop following it](#).

**PUERTO RICO ELECTRIC POWER AUTHORITY
OFFICE OF PROCUREMENT AND CONTRACT COMPLIANCE**

REVIEW ABSTRACT

Title: Mobile Generation Units RFP

Party(ies) contracting with PREPA: TBD

Date of contract: TBD

Date contract received: 8/6/2018

Date review completed: 8/9/2018

Documents received and reviewed:

- Draft Contract for Mobile Generation Units
- Draft Operations and Maintenance Agreement
- RFP 82695
- OCPC Review Form
- Draft Memorandum Evaluation Committee RFP Mobile Generation (*Designación Comité Evaluador para RFP Adquisición Generación Portátil*)
- Guide for Procedure for Acquisition of Goods or Services through Requests for Proposals (*Guía para Procesos de Adquisiciones de Bienes o Servicios a Través de Solicitud de Propuestas*) (the “**Guide**”)

Complies with PREPA Procurement Regulations and Procedures:
Details in Exhibit A.

Yes ☐ No ☒

Draft of agreement complies with Puerto Rico contracting provisions:
Details in Exhibit B.

Yes ☒ No ☐

Additional Comments:

We have not reviewed approval from PREPA’s Board of Directors, as required under Section 15(2)(f) of the PREPA Act and Section B of the Rules for Levels of Approval of Documents (*Norma Sobre Niveles de Aprobación de Documentos*).

PREPA PROCUREMENT PROVISIONS

#	Complies	Requirement	Comments
1.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Authority of PREPA to execute proposed procedure.	<p>Pursuant to Section 15(1)(a) of Act 83-1941, as amended, known as the Puerto Rico Electric Power Authority Act (the "PREPA Act"), all purchases and agreements for supplies and services made by PREPA, with the exception of professional services agreements, shall be made through a formal bid procedure.</p> <p>Section 15(2) provides the instances in which a bid process will not be required. Section 15(2)(b) provides that bid procedure will not be required "[w]hen and emergency requires immediate delivery of the material, supplies or equipment or performance of the services". Moreover, Section 15(2)(f) provides that a bid process will not be required "[w]hen in the judgment of the Board a request for proposals (RFP) process shall be carried out for the acquisition of goods, equipment, supplies, or services to promote greater competition, reduce the risk of collusion, and promote the best possible terms and conditions to achieve greater savings and reduce the operating costs and expenses of [PREPA]."</p> <p><i>Page 1 of the Generation Contract and page 1 of the Operation and Maintenance Agreement comply with this requirement by citing Section 15(2)(f) of the PREPA Act. However, PREPA Board Resolution is not available.</i></p>
2.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Section III.A of the Procedure	<p>RFP shall be completed through PREPA's electronic sourcing platform (PowerAdvocate).</p> <p><i>Section 1.3 of the RFP complies with this requirement.</i></p>
3.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Section III.B of the Procedure –	<p>Suppliers must be registered in PREPA's Supplier's Registry prior to execution of the contract.</p> <p><i>Section 1.4 of the RFP complies with this requirement.</i></p>
4.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Section III.G of the Procedure	<p>According to Section B of the Rules for Levels of Approval of Documents (<i>Norma Sobre Niveles de Aprobación de Documentos</i>), any agreement exempt from the requirement of a bid process in excess of \$200,000 must be approved by PREPA's governing board. The agreement must be executed by PREPA's Executive Director.</p> <p><i>PREPA Board Resolution is not available; drafts of Generation Contract and Operation and Maintenance Agreement require execution by Executive Director.</i></p>
5.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Section III.I of the Procedure	<p>Section III.I of the Procedure provides that PREPA may require a Performance Bond and, for agreements in excess of \$150,000, a Payment Bond.</p> <p>Moreover, Section 530.4.1 of PREPA's Administrative Manual provides that a Performance Bond and a Payment Bond shall be required in bid and request for proposal processes. In addition, a Bid Bond shall be required in bid processes.</p> <p><i>Article 39 of the Generation Contract and Article 13 of the Operation and Maintenance Agreement comply with this requirement.</i></p>

This is actually satisfied

6.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/>	Section III.K of the Procedure	Section III.K of the Procedure requires all purchases of equipment to include the warranty, special conditions of operation or exceptions in the text of the order or the scope of the agreement. <i>Article 39 of the Generation Contract and Article 7 of the Operation and Maintenance Agreement comply with this requirement.</i>
7.	Y <input checked="" type="checkbox"/> N <input checked="" type="checkbox"/> N/A <input type="checkbox"/>	Section III.O of the Procedure	Section III.O of the Procedure requires all requisitions, material requests or purchase orders to include an active account.
8.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Minimum period for Delivery of Invitation to RFP	Section 530.3 of PREPA's Administrative Manual states that all invitations to RFP shall be sent with sufficient time prior to the proposed date of opening, and further provides that five days shall be deemed as sufficient time. <i>Section 1.3 of the RFP complies with this requirement.</i>
9.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Section 3 of the Guide	The Executive Director shall appoint an Evaluation Committee with a minimum of three members for each RFP in order to assist with the selection of proponents and the negotiation of the contract terms. <i>Draft designation memo is available. The Committee is composed of Delis T. Zambrana Colón, from the Suministros Division, Jaime A. Umpierre Montalvo and José A. Santos Jiménez, from the Engineering and Technical Services Division, Luisette X. Ríos Castañer, from the Environmental Protection Division, and Félix A. Hernández Cabán, from the Legal Department.</i>
Section 4.6 of the Guide – Contents of the Request for Proposals			
10.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(a)	Description of the project, business model, solution or strategical acquisition that will be developed. <i>Section 2 of the RFP complies with this requirement.</i>
11.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(b)	A description and schedule of the proposed timeline for the selection process. <i>Section 1.5 of the RFP complies with this requirement.</i>
12.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(c)	Instructions with respect to the format, PREPA's electronic platform for the filing of proposals or any other technical specifications. <i>Section 4.3 of the RFP complies with this requirement.</i>
13.	Y <input type="checkbox"/> N <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	(d)	If applicable, an outline of the independent procedure for environmental compliance. <i>Section 2 of the RFP requires that the generation units comply with environmental laws and regulations.</i>
14.	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>	(e)	A petition by PREPA for proponents to be able to submit, before the proposal, Alternative Technical Concepts or Alternative Financial Concepts. <i>PREPA to clarify whether this requirement applies.</i>
15.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(f)	A statement with respect to the type of selection process to be employed by PREPA. <i>Section 3.2 of the RFP complies with this requirement.</i>
16.	Y <input checked="" type="checkbox"/>	(g)	The minimum applicable Evaluation Criteria.

mentioned in meeting

	N <input type="checkbox"/>		<i>Sections 3.1 and 3.2 of the RFP comply with this requirement.</i>
17.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(h)	Any bid bond that may be required by PREPA. <i>PREPA has indicated that bid bonds are not being required for RFPs.</i>
18.	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>	(i)	If applicable, a statement with respect to any contingent financing or any other conditions, contingences, approvals, authorizations, certifications that would be required for the execution of the agreement.
19.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(j)	The date and time before which and the place in which proposals must be submitted. <i>Section 1.3 of the RFP complies with this requirement.</i>
20.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(k)	The point of contact designated by PREPA or his or her delegate. <i>Section 1.3 of the RFP complies with this requirement.</i>
21.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(m)	A clause regarding confidentiality. <i>Section 5 of the RFP complies with this requirement.</i>
22.	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>	(o)	A clause expressly indicating that the RFP may be amended by the publication of addenda. <i>Section 1.3 of the RFP only indicates that "it is the sole responsibility of the potential proponent to continuously monitor this PowerAdvocate event for additional information, updates and addenda concerning the RFP".</i>
23.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(p)	A requirement that all proponents certify that it has complied with the requirements set forth in Section 4.17 of the Rules. <i>Section 9 of the RFP complies with this requirement.</i>
Section 4.7 of the Guide – Requests for Clarification			
24.	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>	(a)	Requests for Clarification must be presented by proponents at least 15 days prior to the due date for submitting the proposals. <i>Section 1.3 of the RFP complies with this requirement. However, it establishes that proposers have until August 28, 2018 to submit questions and the deadline to submit proposals is September 7, 2018.</i>
25.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(b)	Requests for clarification must be submitted in writing via PowerAdvocate or during Pre-Bid meetings. <i>Section 1.3 of the RFP complies with this requirement.</i>
26.	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>	(c)	Responses to any Requests for Clarification (submitted in writing or during pre-bid meetings) must be published by PREPA through PowerAdvocate at least 3 days prior to the due date for submitting the proposals. <i>Section 1.3 of the RFP complies with this requirement. However, it does not expressly establish that responses shall be published 3 days prior to the due date for the submittal of proposals.</i>
Section 5.1 of the Guide – Process of Evaluation			
27.	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(a)	Quality Control (Short List)

mentioned
in meeting

mentioned in
meeting

			<p>The Evaluation Committee shall, within five days of the due date for submitting proposals (unless extended pursuant to Section 5.1(a)(i) of the Guide) evaluate the proposals and determine which proposals meet pass the quality control review by meeting all basic requirements set forth in the RFP and the Guide. Proponents will be notified in writing if they pass or do not pass the quality control review.</p> <p><i>Section 1.6 of the RFP complies with this requirement.</i></p>
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RFP 82695

**REQUEST FOR PROPOSALS
FOR
Mobile Generation Units**

Issued by the Puerto Rico Electric Power Authority

Date Initial RFP Issued: September 5, 2018

Proposals Due Date: September 20, 2018 at 11:59 p.m. AST

Request for Proposals for
Mobile Generation Units

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Mobile Generation Units

1 Purpose and Intent

This request for proposals (RFP) is issued by the Puerto Rico Electric Power Authority (PREPA). The purpose of this RFP is to solicit proposals from interested qualified firms which can provide new Mobile Generation Units.

Puerto Rico's electrical system is vulnerable to plant trips or transmission line outages. This vulnerability became evident in the aftermath of Hurricanes Irma and Maria. While a portion of the system was reestablished, much of the island loads were isolated from the generation supply due to damaged or destroyed transmission lines. This included areas that had no access to any power supply such as the Yabucoa/Humacao region as well as areas that had insufficient power supply to maintain reliable service, such as the San Juan Metropolitan Area. Yabucoa was operating as an isle during the recovery efforts since transmission lines in the east were inoperable. Mobile units installed in Yabucoa and Palo Seco proved to be successful.

The intent of this RFP is to potentially award a contract to supply new mobile generating units to provide power to those isolated areas in case of an outage due to a natural disaster or restoration works on the powerlines or existing generating units. It is expected that PREPA will continue to strengthen its grid for the next years to make it more resilient to natural disasters, due to federal funding available for these purposes. Having these units available will provide PREPA the flexibility to create micro grids during the restoration works after a emergency event or during programmed works.

1.1 Puerto Rico Electric Power Authority

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

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

PREPA's Objectives:

- Reduce energy cost
- Promote smart energy consumption
- Protect the environment
- Provide reliable sources of power generation

Strategies to Achieve these Objectives:

- Reduce operating expenses
- Increase efficiency
- Minimize Energy Theft
- Diversify Energy Sources

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- Establish Smart Grid for energy control and consumption monitoring
- Maximize use of advanced technology

1.2 Contract Term

The term to design/engineer, provide, install, and commission the mobile generating units is sixty (60) calendar days from Notice to Proceed. Upon the final acceptance, the obligations will be deemed satisfied, for the exception of surviving obligations such as, but not limited to, warranties, guarantees, professional and/or general liabilities. An optional two-year operation and maintenance contract will be considered under this RFP.

1.3 Proposal Submission

The Bidder shall submit its Proposal through the Submittals tab and comply with the information required in the Technical and Pricing tab of the RFP 82695 event on the PowerAdvocate® platform.

Questions or comments shall be submitted by 11:59 p.m. AST, September 12, 2018 via PowerAdvocate® through the Messaging Tab of event 82695.

PREPA's designated Procurement Representatives for this RFP are:

Delis T. Zambrana

Natalia Martínez Lugo

Verbal questions will NOT be accepted. Requests for clarifications will be answered by posting answers via PowerAdvocate® through the Download Documents Tab or Messaging Tab; accordingly, questions should NOT contain proprietary information, as answers may be published in the public domain. Please note that PREPA does not guarantee answers for all questions or comments received.

It is the sole responsibility of the potential proponent to monitor this site for additional information, updates and addenda concerning the RFP.

All RFP submissions, inclusive of the pricing, discounts and other requested details are to be submitted via PowerAdvocate® on or before 11:59 pm AST, September 20, 2018. It is the proponents responsibility to confirm that all their documents have been uploaded by the due date.

All Proponents are expected to submit a redacted copy of their response in the *PREPA's Supplier Registry Office* as required in Section 14.0 Confidentiality of Responses and Proprietary Information to the following address:

Postal Address:

Puerto Rico Electric Power Authority
Supplier Registry Office
PO Box 3670151
San Juan, Puerto Rico 00936

or

Physical Address:

Supplier Registry Office
1110 Ponce de Leon Avenue
Third Floor Office 301
NEOS Building, Santurce, PR

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The PowerAdvocate guide is included as part of this event. For technical assistance with the sourcing platform application please contact PowerAdvocate technical support: (857) 453-5800 or via email at: support@poweradvocate.com.

1.4 Prohibited Communications, Expenses, and Rejections

Communications with representatives of PREPA (other than the designated points of contact), the Government of Puerto Rico or relevant entities of the Federal Government regarding any matter related to the contents of this RFP are prohibited during the submission, evaluation and selection processes. Failure to comply with these communications restrictions will result in the rejection of a proposal.

Neither PREPA, the Government of Puerto Rico nor any of its instrumentalities, will be responsible for any expenses incurred in the preparation and/or presentation of the proposals, oral interviews or for the disclosure of any information or material received in connection with this RFP.

PREPA reserves the right to reject any and all proposals received in response to this RFP, when determined to be in PREPA's best interest. PREPA further reserves the right to make such investigations as it deems necessary as to the qualifications or perceived conflicts of interest of any and all vendors submitting proposals in response to this RFP. The mere appearance of a conflict of interest shall constitute sufficient cause for the outright rejection of a proposal(s). In the event that any or all proposals are rejected, PREPA reserves the right to re-solicit proposals.

1.5 Local Participation

PREPA encourages Proponents to engage local contractors, professionals and relevant service providers headquartered in Puerto Rico ("Local Parties") as Team Members and Key Individuals to the greatest extent possible.

Proponents are required, as part of this RFP, to provide descriptions of their current and/or anticipated business arrangements with Local Parties and, in particular, Local Parties who are Team Members and Key Individuals for the Project, as applicable.

Notwithstanding the above, upon title transfer to PREPA, all equipment warranties and guarantees shall be vested upon PREPA directly from the Original Equipment Manufacturer (OEM).

Also, Proponents shall acknowledge and accept that for any service and/or parts that may be required for the mobile generating equipment packages after final acceptance, PREPA, as the owner, reserves its rights and shall be free to procure, negotiate, and enter into agreements directly with the awarded equipment's OEM or with any other service providers.

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1.6 RFP Timeline

Key Review Process Events	Targeted Timeline
Release of RFP	September 6, 2018
Site Visits	September 11, 2018
Last Day to Submit Questions – 11:59pm p.m. (Atlantic)	September 12, 2018
Issuance of Answers to Questions – 11:59 p.m. (Atlantic)	September 14, 2018
Proposal Submission Deadline – 11:59 p.m. (Atlantic)	September 20, 2018
Short List Selection, Presentations or Interviews (if applicable)*	September 26 to 27, 2018
Target Date for Selection of Proposal and Notification*	October 3, 2018

*At PREPA's discretion

Please note that the RFP timeline includes target dates that may change. It is the responsibility of Proponents to periodically review the PowerAdvocate website for updates to the RFP timeline and other important information. Any changes or modifications to the RFP terms, conditions or specifications will be made through addenda posted on PowerAdvocate.

Submittals that have not been completely uploaded by September 20, 2018, 11:59 PM AST, will not be considered. Proponents are encouraged to allow themselves enough time to upload their proposals and to confirm that the files are available for PREPA's review.

1.7 Definitions/Acronyms

“Proponent” means a(n) (i) natural person, (ii) legal person, (iii) joint venture, or (iv) partnership, or (v) consortium of individuals, and/or partnerships, and/or companies or other entities that submit a response to this RFP that is not currently debarred.

“Contractor” or “Selected Proponent” means a proponent to which PREPA intends to award a contract resulting from this RFP

“Chief Executive Officer” refers to the CEO of the Puerto Rico Electric Power Authority.

“Evaluation Committee” refers to a committee designated by PREPA's Chief Executive Officer, which will evaluate all complete proposals pursuant to the criteria listed in Section 3.0 of this RFP.

“Federal Agency” means any of the departments of the Executive Branch of the Government of the United States of America, or any department, corporation, agency or instrumentality created or which may be created, designated or established by the United States of America.

“OMB” means the Office of Management and Budget.

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“Key Individuals” means an individual who will play an important role in the engagement or contract on behalf of a Team Member resulting from this RFP.

“Local Parties” means local subcontractors or professionals (which may include architects and consulting engineers) and relevant service providers who are based in or have a significant on-going business presence in Puerto Rico.

“Public Interest” means any government action directed to protecting and benefiting citizens at large, whereby essential goods and services are provided for the welfare of the population.

“RFP” means this Request for Proposals and addenda issued by PREPA.

“Team Member” means a member of a Proponent. Team Members should be identified in Proponents’ submissions and not be changed without the consent of PREPA.

2 Scope of Services

The Proponent shall submit an all-inclusive, turnkey, lump sum proposal to provide mobile generating units to be connected to Yabucoa Power Station and Palo Seco Power Plant. The contractor shall provide three (3) new, independently packaged, zero-fired hour gas turbine units and perform its delivery, installation, testing, and commissioning. Each mobile unit shall have a net generating capacity between 25 and 40 MW at the specified ambient conditions and shall include the necessary new, unused Balance of Plant (BOP) equipment and new, unused black start power generating system.

The units shall be supplied to be capable to burn Distillate #2 fuel (diesel) and natural gas (NG), either fuel on a primary basis and without any modifications to the supplied packages. Units may also be capable to burn a third fuel option. The units shall be equipped with modern environmental control and monitoring equipment, as well as control logics to meet all local, state, and federal current requirements. Each gas turbine package shall have unrestricted fast start capability. The proposal shall also include an option to provide all operation and maintenance functions for two (2) years.

Contractor shall furnish all construction and operation permitting and modification to current sites permits, process the agencies approvals (with PREPA’s review and approval). In the event that during the term of the contract Federal or State laws or regulations are modified, required adjustments shall be met. Contractor should warranty compliance with current local, state and federal regulations

The following items are requirements for this scope of work:

Gas Turbines and Balance of Plant

- Contractor shall provide and install three (3) zero-fired hours, portable gas turbines (GTs). Fixed/base load/frequency regulation of 25 to 40 MW net power output at generator terminals without water or steam injection at 85° F compressor inlet ambient temperature, 70% relative humidity at sea level inlet condition. One unit shall be

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- connected at the Yabucoa Power Station and two (2) at the Palo Seco Power Plant.
- Contractor shall be responsible for the supply, delivery, installation, testing, and commissioning of the three units.
- Dual fuel, with the installed capability to burn Distillate #2 diesel and natural gas (NG), either as a primary fuel. A third fuel provision is not required but may be acceptable. Shall be provided with all mechanical, electrical, and logic/control operating functions to switch from one fuel to the other without any modifications.
- Units shall have the provisions to operate with and without water or steam injection. No water or steam is available at various sites where these units may be required. Contractor shall warranty compliance with current local, state and federal regulations.
- Primary fuel: Distillate #2 (low sulfur diesel). PREPA will supply fuel. Specifications of fuel are included as an attachment to this document.
- Output voltage: 13.8 kV
- Frequency: 60 Hz
- Grid connections at Yabucoa Power Station: 230/115/38 KV air substation. Existing transformer is 50 MVA, 3 phase, 13.2 kV/115 kV shared input with an existing 22 MW frame 5 combustion turbine available for operation.
- Grid connections at Palo Seco Power Plant: 115 Kv GIS, Palo Seco Unit 1 or Unit 2 Main Power Transformer terminals.
- Units shall have the capacity to operate as isolated generating units or synchronized with other units connected to the electrical grid.
- Balance of Plant (BOP) equipment for each unit shall also be provided.
- Single-mobile trailer, factory mounted control house shall include all electrical, control, and protection cabinets. A 15kV switchgear shall be provided.
- Custom, separate remote control room shall be provided by means of a new mobile office trailer at each site (one (1) at Yabucoa and one (1) at Palo Seco). Custom trailer shall be complete with mobile capabilities, internal working area no less than 22-foot long and 10-foot wide, including air conditioning as per comfort standards, windows, two doors, and a partitioned office area.
- Remote, new, separate HMI's complete with all logic/control functions and capabilities to allow full operation of the units and their BOP from the remote control room trailers. Minimum of two HMI monitors per mobile turbine package shall be installed inside the remote control rooms. All necessary control system software shall be installed and fully operational on said HMI's.
- Contractor shall perform installation, testing, and commissioning of the BOP.
- Single or multiple array mobile power systems will be considered. Shall be factory mounted.
- Each unit shall be suited for remote communication to PREPA's Energy Control Center.
- An option of DLN combustors and nozzles.
- Centrifugal and coalescer fuel filters.
- A new, black start power generation system per unit shall be provided with 100% black start capability.
- A fuel forwarding portable skid per unit shall be provided. Each skid shall include a 100% capacity operating pump and a 100% standby pump.
- The units must be individually and collectively capable of being dispatched from standby to full load in less than 30 minutes.

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- Proposal shall include performance and operation curves, emissions rate for each type of fuel, sound rates in dB. Manufacturer shall guarantee performance and emissions based on each fuel type. Emissions shall be warranted by manufacturer.
- Proposal shall include site-specific recommended maintenance/inspection intervals for each type of fuel (Distillate No.2/diesel and NG). If adjustments to each or every 60-minute real time hour is applied to the maintenance/inspection interval hourly counter, Contractor shall provide said adjustment formula with corresponding variable and/or fixed inputs from the OEM.
- Exact location for installation in the plants will be selected by PREPA. Proponents shall assume a distance of 1,000 ft from the units' location to the transformers connections, water connections, and fuel connection. Drawings and aerial photos of the site are provided as attachments.
- Trailer housing shall be weather resistant, acoustic, coated aluminum.
- Contractor shall be responsible for the electrical and mechanical connections to PREPA's facilities. Contractor shall provide all materials and workmanship to perform these works.
- Contractor shall provide all electrical, power, control and communications wiring and cables in enclosed, weatherproof cable trays or tubing as applicable, in compliance with applicable codes and standards.
- Contractor shall abide to all cable, wiring and piping routes that are acceptable to PREPA. Location of all equipment and materials shall not interfere with the rest of PREPA operation at each site, nor its maintainability. All necessary infrastructure needed to achieve the acceptable routings shall be the Contractor's responsibility.
- Contractor shall protect all mechanical piping from vehicles in transit areas, as applicable.
- A full O&M training shall be provided by the manufacturer to PREPA personnel (group of 10). The objective of the O&M training is to achieve full operation and maintenance capabilities of the attendees.
- The Proponent shall furnish documentation showing that the proposed equipment has been commercially demonstrated and provide an experience list of similar model projects.
- Contractor shall be the sole responsible to coordinate the delivery route with the Puerto Rico Department of Transportation, Police Department, and other government agencies if required. Any costs associated with transportation shall be borne by Contractor.
- Site preparation, if any, shall be Contractor's responsibility. Proponents shall visit both sites.
- Project shall be completed within sixty (60) calendar days from the Notice to Proceed.
- A minimum of one-year or 12,000 fired hours full OEM warranty, whichever occurs first, shall be included. As for Contractor's workmanship and the BOP materials and equipment, a full one-year warranty shall be provided.
- Generating units included in the Proposal are required to be compliant with the Clean Air Act (Puerto Rico Environmental Quality Board's construction and operating permits), Clean Water Act (SPCC – 40 CFR 112.7), United States Coast Guard regulation for fuel oil transfer operations and waste disposal under RCRA regulations, the regulations promulgated thereunder, and future permits requiring modifications according with state and federal plans. OEM equipment for the entire project shall provide all required emissions and environmental documentation and operating runs that would be

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- required for obtaining operating permits of each facility.
- The Proponent shall furnish documentation showing that the proposed equipment has been commercially demonstrated and provide an experience list of similar model projects.
- Contractor shall provide non-corrosive and removable metal stair access installations to all entrances of the turbine generator and control room packages that are not accessible nor located on ground level.
- Existing equipment, materials or installations shall be properly relocated by the Contractor and reinstalled, as per instructed by PREPA.

GTs Protection System

- Protective Relay Study and its settings for the proposed mobile power system.
- Mobile power system protective relay settings criteria.
- Grant access to PREPA to protective relay events.
- Access to mobile power system proprietary software/program to allow communication with relays.
- Mobile power system generator data sheet.
- Protective relay single line diagram for the integration to PREPA's protection system. Such single line diagram shall be discussed with and approved by PREPA's Electrical Maintenance and Electric System Protection Division.
- Contractor shall be responsible for the entire wiring and testing of their protective relay system. PREPA shall be responsible for their protective relay system within its transformer and substation.
- The generator protection and its associate equipment connection shall comply with the latest applicable standards for small generators.
- Current Transformers (CTs) associated to the protection shall be protection class and shall comply with the applicable latest standards (ratio, accuracy, connection).
- At least the generator CT for unit differential protection (PREPA's transformer + proponent generator) shall be 5 Amps secondary. For example: 3000/5.
- The drawings for the generator installation shall be submitted for the approval of the Engineering Design Department. The proponent shall discuss the approved drawings 20 days prior to installation with DCEPSE personnel.
- A complete protective relay study must be submitted at least fifteen (15) days prior to the commissioning. Such study shall cover the applicable standards, manufacturer's guidelines, and include each setting criteria with detailed explanation. The settings shall be signed and stamped by a PR licensed electrical engineer.
- The proponent shall provide all the manufacturer information for each generator, such as manuals, data sheets, setting guidelines and curves.
- Proper protection with its associated equipment (CT's, PTs), wiring and proper detailed settings shall be provided by the proponent for any connection or segment (between PREPA's facility and/or the generator and associated apparatus) that is not covered by the unit differential protection.
- The proponent shall submit the equipment and protection tests for PREPA's approval at least fifteen (15) days prior to energization. These documents shall observe and be presented for PREPA's consideration according to the applicable standards or guidelines and be stamped and signed by a PR licensed electrical engineer.

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Operation and Maintenance (O&M)

- Proponent shall also include a separate itemized proposal that includes the pricing and terms and conditions for a two-year Operation and Maintenance (O&M) Contract, with two (2) options of one (1) additional year.
- Shall be all inclusive including furnishing and maintaining an adequate inventory of all spare parts throughout the duration of the agreement. Shall arrange for storage of all spare parts during the term of the O&M services in an appropriate environment to maintain the spare parts in a new condition.
- Proposal shall include replacement parts and service. List of parts shall be submitted with the proposal.
- Contractor shall comply with any reporting, monitoring, recordkeeping requirements specified in the modified permits.

Technical Advisor

- A separate proposal for a Technical Advisor (TA) to mobilize and demobilize units shall be included.

2.1 Schedule of Deliveries and Installation

Project requires Contractor to procure and deliver all three generating units and the BOP equipment to be in fulltime service in sixty (60) calendar days after the issuance of the Notice to Proceed (NTP). However, units shall be installed in the following order:

- First unit shall be installed, tested, and commissioned in the Yabucoa Power Station in forty five (45) calendar days after the issuance of the Notice to Proceed.
- Second and third units shall be installed, tested, and commissioned in the Palo Seco Power Plant in sixty (60) calendar days after the NTP issuance.

Since time is an essential part of this Contract, non-compliance of the timeline established above will result in penalties to the contractor. Refer to Article 16. Penalty for Delays.

2.2 Deliverables

Proponents shall outline the types of deliverables and timelines they produce, in performing the services being procured through this RFP. At a minimum, the key deliverables to be provided shall include such items as:

Proposals shall include the following:

- A description of the project scope including a description of the generating units proposed, expected emissions for each type of fuel,
- Schedule for scope of work and delivery of units and BOP including required time for fabrication, delivery, installation, interconnection to the transformers, and startup/commissioning.
- Plans for financing, schedule, requirements and demonstration of commitments to

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financing. If proposal is conditioned on approval of financing, proposer must be able to demonstrate existing an achievable financing plan and provide strong commitments of financing for the project

- The price proposals shall include all costs associated with the complete installation of the units including design, procurement, construction, consumables, and operation and maintenance of the equipment. Operation and maintenance and technical advisor prices shall be presented separately.
- Three (3) original copies of operating, transporting/rigging/hauling, maintenance, ownership and parts manuals for each mobile turbine package shall be provided. If available, one of the copies shall be in electronic format. As for the rest of the BOP equipment, a minimum of three copies of each manufacturer-issued manual shall be provided.

3 Evaluation and Selection

PREPA will examine all proposals to determine if they meet the proposal submission requirements. Proposals that are materially deficient in meeting the submission requirements or have omitted material documents, in the sole opinion of PREPA, may be rejected. All proposals meeting the proposal submission requirements will be evaluated.

Each proposal meeting all submission requirements will be independently evaluated by the Evaluation Committee, which will evaluate the proposal on responsiveness to the intent of the RFP and assign a score for each evaluation criterion listed below in this section up to the maximum points.

PREPA may request further clarification from the Proponents to assist the Evaluation Committee in gaining additional understanding of proposal. In the initial evaluation phase for submission requirements, a response to a clarification request must be to clarify or explain portions of the already submitted proposal and may not contain new information not included in the original proposal.

3.1 Scoring Criteria

Proposals will be evaluated on responsiveness of the intent of the RFP and scored based upon the criteria listed below. PREPA may reserve the right to require additional information after the proposals' due date. Proponents shall provide such information as required in PREPA's notification.

Price Proposal (60 points)

PREPA will evaluate the proposals based on the lowest all-inclusive price submitted by the proponent. Part of the evaluation may include analysis of the cost assuming some level of unit dispatch. This evaluation may or may not include incorporating the cost and performance parameters in a system dispatch model to determine PREPA's least cost alternative.

Units Pricing:

- a. Shall submit a price per unit (including all its BOP equipment and accessories)
- b. Shall provide an installation price per unit, with all necessary equipment,

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- materials, labor, testing, and commissioning
- c. Shall provide price for Operation and Maintenance as required in this document

Experience and Capacity (15 points)

Proponents shall demonstrate experience and success in fabricating, installing, testing, and commissioning mobile gas turbines. Proponents that demonstrate all or a portion of the proposed units can be operable in less than specified in Section 2.1 Schedule of Deliveries and Installation will be favored compared to those who need more time, or whose responses are vague.

Offeror's Experience:

- a. Shall submit an abbreviated history of firm
- b. Shall provide evidence of applicable experience and performance in at least two related scope projects within the past five years, and references.
- c. Shall provide qualifications and resumes of experienced key personnel (project manager, engineers, supervisors, etc.) of the proponent with at least ten (10) years of experience in similar projects.
- d. Shall provide qualifications and resumes of experienced key personnel (project manager, engineers, supervisors, etc.) of the installation subcontractor (if any) with at least five (5) years of experience in similar projects.

Schedule of Project Delivery:

- a. Shall provide a proposed project schedule based on continuous work with key and critical tasks.

Approach and Methodology (15 points)

Proponents that outline a clear and straightforward approach to providing fast track generation projects will score higher, than those that do not. Proponents shall identify key goals and objectives, and methods for providing the facilities described herein or exceeding these goals. Proponents shall explain how they will be organized to effectively deploy support for this project clearly identify key personnel responsible for implementing the project.

Work Plan:

- a. Shall submit a description of the proposed working plan, including working methods, logistics, list of resources (manpower and equipment), and subcontractors, if any.

Compliance with all Applicable Federal, and Puerto Rico Regulations (10 points)

Proponents who demonstrate compliance with all applicable federal and Puerto Rico regulations. Adherence to strong ethical and integrity practices and unequivocal commitment to solid administrative practices is essential for PREPA. Understanding of federal and local requirements is essential and will be highly considered.

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The criteria shall be graded using a score of 1 to 5:

- 1 = **Poor or Inadequate** – does not meet RFP expectations
- 2 = **Adequate** – criteria are met, below the standards set by the RFP
- 3 = **Average** – meets the minimum standards set by the RFP
- 4 = **Good** – meets and exceeds the minimum standards set by the RFP
- 5 = **Excellent** – meets and substantial exceeds the minimum standards set by the RFP and presents the best proposal for the criteria

3.2 Finalist Interview

PREPA reserves the right, at its sole discretion, to invite Proponents that have complied with the minimum requirements to a finalist interview with the Evaluation Committee. If PREPA elects to conduct finalist interviews, each Proponent will be required to give a strictly timed 45-minute presentation. This presentation shall highlight expertise and prior energy mission optimization and program management services provided for similar organizations. The presentation shall also clearly explain the Proponent's approach and team composition. Information provided during the presentation or interview process may be considered by the Evaluation Committee to score the proposals. Proponents are responsible for all costs or expenses incurred to attend such interview.

3.3 Selection

Following completion of the evaluation process of the proposals that have met the minimum requirements, the Evaluation Committee will choose the Selected Proponent.

4 Proponent Requirements

4.1 Requirement of Legal Entities

Proponents that are corporations, partnerships, or any other legal entity, U.S. or Puerto Rico based, shall be properly registered or capable and willing to be registered to do business in Puerto Rico and the U.S. at the time of the submission of their proposals, and comply with all applicable Puerto Rico or U.S. laws and/or requirements. A selected proponent must be part of PREPA's supplier registry in order to execute a contract.

4.2 Required Qualifications of Proponent

Proponents to this RFP shall provide information in their proposals that demonstrates the following qualifications:

- Proponent has adequate financial resources to perform the contract, or the ability to obtain them; financial statements for the past 2 years will be required, or equivalent financial records must be included in the proposal.
- Proponent is able to comply with an accelerated delivery or performance schedule.
- Proponent has a satisfactory performance record.
- Proponent has a satisfactory record of integrity and business ethics.
- Proponent has the necessary organization, experience, accounting and operational

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controls, and technical skills.

- Neither Proponent nor any person or entity associated who is partnering with Proponent has been the subject of any adverse findings that would prevent PREPA from selecting Proponent. Such adverse findings include, but are not limited to, the following:
 - Negative findings from a Federal Inspector General or from the U.S. Government Accountability Office, or from an Inspector General in another state.
 - Pending or unresolved legal action from the U.S. Attorney General or from an attorney general in Puerto Rico or another state.
 - Pending litigation with the Government of Puerto Rico, or any other state.
 - Arson conviction or pending case
 - Harassment conviction or pending case.
 - Puerto Rico and Federal or private mortgage arrears, default, or foreclosure proceedings
 - In rem foreclosure.
 - Sale tax lien or substantial tax arrears.
 - Fair Housing violations or current litigation.
 - Defaults under any Federal and Puerto Rico-sponsored program.
 - A record of substantial building code violations or litigation against properties owned and/or managed by Proponent or by any entity or individual that comprises Proponent.
 - Past or pending voluntary or involuntary bankruptcy proceeding.
 - Conviction for fraud, bribery, or grand larceny.

4.3 Proposal Format

The Proponent's proposal shall be formatted as follows:

4.3.1 Cover Letter and Table of Contents (2 pages)

Provide a cover letter that includes a certification that the information submitted and the Proposal is true and accurate, and that the person signing the cover letter is authorized to submit the Proposal on behalf of the Proponent. Clearly identify the designated contact person for the engagement.

Provide a table of contents that clearly identifies the location of all material within the Proposal by section and page number.

4.3.2 Experience and Capacity (8-12 pages)

Provide a summary of the types of services the Proponent offers that relates to this RFP. Provide specific details on any previous experience with similar projects. Identify engagement and or staff experience with entities comparable to PREPA for which the Proponent provides or has provided, similar services within the last (10) years. Proponents must indicate the dollar value of the project for which has provided similar services to the ones contemplated in their RFP. Detail at least one to three (1-3) similar engagements and/or experience with private and public-sector clients that would demonstrate that the Proponent can provide the requested services. Each example should include:

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- a) Name of client organization.
- b) Description of engagement or experience and objectives of the project including beginning and ending dates.
- c) Examples of recommendations offered to the client and the results of the implementation of those recommendations.
- d) Information regarding the project that would demonstrate successful experiences by the client, as a result of the recommendations. This may include performance metrics and improvements.
- e) If the example involves a private sector client, describe how the experience could be applied to the public sector.
- f) Description of Federal funding programs managed during the engagement.
- g) Description of key infrastructure programs or projects advanced as part of the engagement, if any.

PREPA may seek information from references regarding subjects that include, but are not limited to, the quality of services provided, anticipated ability to perform the services required in this RFP and the responsiveness of the Proponent to the client during the engagement. Please provide at least three (3) references for the prime Proponent and two (2) for any partners or sub-contractors. Each reference should include the name, title, company, address, phone number and email address of the reference. Inability to contact a reference will not be looked upon favorably.

Provide a summary of the Proponent's technical expertise that describes the Proponent's unique capabilities. This narrative should highlight the Proponent's ability to provide Material Management services. Provide biographical summaries for Key Individuals and their proposed roles. Resumes can be attached as an appendix and will not count toward the page limit of the proposal.

In addition, identify any sub-consultants and Local Parties incorporated into the team and clearly explain their expertise, expected role and value to the engagement.

Specify the primary contact person for the Proponent (name, title, location, telephone number, and e-mail address).

4.3.3 Approach and Methodology (4-8 pages)

Explain how the Proponent will achieve the goals, objectives, tasks, and deliverables outlined in the Scope of Services for this RFP. Specifically address how the Proponent proposes to effectively assist PREPA with each individual tasks included in the Scope of Services and how the Proponent intends to cohesively delivery all the services in an organized manner. Indicate why the proposed approach is appropriate and suited for the project.

Proposals must provide examples of how the proposed approach has achieved success in specific, relevant projects for public or private sector organizations similar in size and complexity to PREPA. The examples should contain enough information for the evaluators to ascertain the success of the projects accomplished by the Proponent.

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This section must include an acknowledgement that, if selected, the Proponent has the ability to respond with sufficient key and line staff and the proposed Key Individuals.

Identify existing staff that will be involved in the services described herein, including each staff member's proposed role in the organization, their relevant qualifications, and the allocation of their time to this engagement. Clearly identify the members of the team that are expected to be residing in Puerto Rico and will serve as local contacts for the engagement purposes.

4.3.4 Price and Performance Proposal

Proponents shall complete the Performance Proposal in the Technical Tab in PowerAdvocate.

Guaranteed net unit output (diesel) @ specified conditions without water or steam injection	MW
Guaranteed net unit output (NG) @ specified conditions without water or steam injection	MW
Unit minimum load for continuous operation	MW
Time from shutdown to guaranteed net unit output	minutes
Unit Heat Rate (diesel – LHV) Assume 18,646 BTU/Lb energy content @ guaranteed net unit output	BTU/KW-hr
Unit Heat Rate (NG – LHV) Assume 21,414 BTU/Lb energy content @ guaranteed net unit output	BTU/KW-hr

⁽¹⁾ If energy price varies with output, provide data related to this variation. Provide output vs. Energy Price curves if applicable.

Proponents shall complete the Price Proposal in the Pricing Tab in PowerAdvocate.

Price per unit (including all its BOP equipment and accessories)	\$ ____/unit
Installation price per unit, with all necessary equipment, materials, labor, testing, and commissioning	\$ ____/unit
Price for Operation and Maintenance as required in this document	\$ ____/2 years \$ ____/first addtl year \$ ____/second addtl year

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4.3.5 Commitment to Complying with all Applicable Federal and Puerto Rico Local Regulations (2-4 pages)

Proponents shall explain their adherence to complying with all applicable Federal and Puerto Rico regulations. Indicate what characteristics of the team set them apart in terms of commitment to comply with all laws and requirements. Indicate what specific trainings and expertise reside within the team that reinforces the commitment to compliance.

4.3.6 Local Parties (1-4 pages)

PREPA has the objective of fostering the participation of Local Parties in the provision of professional services and local expertise. Explain how the Local Party(ies) will add value to the team and their expected role. Identify the Key Personnel from the Local Party(ies) and provide an indication of the expected level of involvement on the day-to-day activities and interaction with PREPA.

5 Confidentiality of Responses & Proprietary Information

Upon completion of the RFP process, PREPA will make public its report regarding the procurement and selection process, which shall contain certain information related to this RFP process, except trade secrets, pricing and proprietary or privileged information of the Proponents. Information considered trade secrets or non-published financial data may be classified as proprietary by the Proponents. All Proponents are required to submit a redacted copy of their proposal. PREPA reserves the right to make public the redacted copies of the proposals at the conclusion of the RFP process. If a redacted copy is not submitted by a Proponent, PREPA will assume that the original copy of the proposal can be made public. Proposals containing substantial contents marked as confidential or proprietary may be rejected by PREPA. Provision of any information marked as confidential or proprietary shall not prevent PREPA from disclosing such information if required by law. The ultimately awarded contract(s) and all prices set forth therein shall not be considered confidential or proprietary and such information may be made publicly available.

6 Conflicts of Interest

Any contract awarded under this RFP will preclude the selected Proponent from representing before PREPA any Proponent other than those Proponents who may be assigned under this contract during the period the contract is in effect.

Proponents are required to provide a list of any other current or former advisory contracts the firm has/had with any Government Entity in Puerto Rico, or which bear any direct or indirect relation to the activities of the Government of Puerto Rico. Further, please provide a description of any recent historical or ongoing legal proceedings, interviews or investigations being conducted by any U.S. law enforcement agencies involving your firm or team that are related to transactions executed in or on behalf of the Government of Puerto Rico and/or its public corporations. In addition, please provide a brief description of any work you have performed for any creditors or guarantors of the Government of Puerto Rico or any public corporation debt about their positions in Puerto Rico debt obligations. Indicate whether this activity is ongoing, and if not, when the prior assignment concluded.

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At some point in the selection process, PREPA may request information on any perceived conflict of interests. Also, PREPA may in the future request a list of direct or indirect relationships the firm or its professionals have to members of the PPPA or Board Members or executives of other Public Corporations.

In the event of real or apparent conflicts of interest, PREPA reserves the right, in its best interest and at its sole discretion, to reject a proposal(s) outright or to impose additional conditions upon Proponents. PREPA reserves the right to cancel any contract awarded pursuant to this RFP with 30 days' notice in the event that an actual conflict of interest, or the appearance of such conflict, is not cured to PREPA's satisfaction.

7 Proposal Additional Information

7.1 Rejection of Proposals; Cancellation of RFP; Waiver Informalities and Withdrawal Proposal

Issuance of this RFP does not constitute a commitment by PREPA to award a contract. PREPA reserves the right to accept or reject, in whole or part, and without further explanation, any or all proposals submitted and/or cancel this solicitation and reissue this RFP or another version of it, if it deems that doing so is in the best interest of the impacted communities or the Government of Puerto Rico.

PREPA reserves the right to waive any informalities and/or irregularities in a proposal if it deems that doing so is in the best interest of the impacted communities or the Government of Puerto Rico.

A Proponent may withdraw a proposal at any time up to the date and time the contract is awarded. The withdrawal must be submitted in through the PowerAdvocate system.

7.2 Ownership of Proposal

All materials submitted in response to this RFP shall become the property of PREPA. Selection or rejection of a proposal does not affect this provision.

7.3 Cost of Preparing Proposals

All costs associated with the response to this proposal are the sole responsibility of the Proponent.

7.4 Errors and Omissions in Proposal

PREPA reserves the right to reject a proposal that contains an error or omission. PREPA also reserves the right to request correction of any errors or omissions and/or to request any clarification or additional information from any Proponent, without opening up clarifications for all Proponents.

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8 Payment Terms & Method of Payments

The payment provisions will be defined in the power purchase agreement which will be negotiated and executed with the successful Proponent.

9 Process Rules & PREPAs General Instruction RFP Guide

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

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

10 Puerto Rico General Provisions

COMPLIANCE WITH THE COMMONWEALTH OF PUERTO RICO CONTRACTING REQUIREMENTS

The Contractor will comply with all applicable State Law, Regulations or Executive Orders that regulate the contracting process and requirements of the Commonwealth of Puerto Rico. Particularly: Law Num. 237-2004, as amended, which establishes uniform contracting requirements for professional and consultant services for the agencies and governmental entities of the Commonwealth of Puerto Rico. 3 L.P.R.A. § 8611 et seq., and the Puerto Rico Department of Treasury Circular Letter Number 1300- 16-16. CC Num. 1300-16-16 (22/01/2016).

A. Executive Order Num. OE-1991-24 of June 18, 1991 to require certification of compliance with the Internal Revenue Services of the Commonwealth of Puerto Rico: Pursuant to Executive Order Number OE-1991-24 of June 18, 1991, the Contractor will certify and guarantee that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years. The Contractor, further will certify that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. The Contractor shall provide, to the satisfaction of PREPA, and whenever requested by PREPA during the term of the potential Contract, the necessary documentation to support its compliance with this clause. The Contractor will be given a specific amount of time to produce said documents. During the term of this Contract, the Contractor agrees to pay and/or to remain current with any repayment plan agreed to by the Contractor with the Government of Puerto Rico.

B. Executive Order Num. OE-1992-52 of August 28, 1992 to require certification of compliance with the Department of Labor of the Commonwealth of Puerto Rico. Pursuant to Executive Order Number 1992-52, dated August 28, 1992 amending OE-1991-24, the Contractor will certify and warrant that it has made all payments required for unemployment benefits, workmen's compensation and social security for chauffeurs, whichever is applicable, or that in lieu thereof, has subscribed a payment plan in connection with any such unpaid items and is in full compliance with the terms thereof. The Contractor accepts and acknowledges its

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responsibility for requiring and obtaining a similar warranty and certification from each and every Contractor and Sub Contractor whose service the Contractor has secured in connection with the services to be rendered under the potential Contract and shall forward evidence to PREPA as to its compliance with this requirement.

C. Government of Puerto Rico Municipal Tax Collection Center: The Contractor will certify and guarantee that it does not have any current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (known in Spanish as Centro de Recaudación de Ingresos Municipales ("CRIM")). The Contractor further will certify to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico. The Contractor shall provide, to the satisfaction of PREPA and whenever requested by PREPA during the term of the potential Contract, Certification issued by the Municipal Revenues Collection Center (MRCC), assuring that Contractor does not owe any tax accruing to such governmental agency. To request such Certification, Contractor will use the form issued by the MRCC (called "CRIM-Certificados, Radicación, Estado de Cuenta y Todos los Conceptos" in the website). The Contractor will deliver upon request any documentation requested by PREPA. During the Term of the potential Contract, the Contractor agrees to pay and/or to remain current with any repayment plan agreed to by the Contractor with the Government of Puerto Rico with regards to its property taxes.

The Contractor shall provide a Personal Property Tax Filing Certification, issued by the MRCC which indicates that Contractor has filed its Personal Property Tax Return for the last five (5) contributory terms or Negative Debt certification issued by the MRCC with respect to real and property taxes and a sworn statement executed by Contractor indicating that (i) its revenues are derived from the rendering of professional services, (ii) during the last five (5) years (or the time in which it has been providing professional services) it has had no taxable business or personal property on the 1st of January of each year, (iii) that for such reasons it has not been required to file personal property tax returns, as required under Article 6.03 of Act 83-1991, as amended and (iv) that for such reason it does not have an electronic tax file in the MRCC's electronic system.

D. The Contractor shall furnish a Certification issued by the Treasury Department of Puerto Rico which indicates that Contractor does not owe Puerto Rico Sales and Use taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan and is in full compliance with its terms.

E. The Contractor shall provide a Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Contractor has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.

F. The Contractor shall provide a copy of Contractor's Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.

G. Puerto Rico Child Support Administration (ASUME): The Contractor shall present, to the satisfaction of PREPA, the necessary documentation certifying that the Contractor nor any of its owners, affiliates of subsidiaries, if applicable, have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with the Puerto Rico Child Support Administration (known in Spanish as the Administración Para El Sustento de Menores

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(ASUME). The Contractor will be given a specific amount of time to deliver said documents. 3 L.P.R.A. § 8611 et seq.;

H. The Contractor shall provide a Good Standing Certificate issued by the Department of State of Puerto Rico.

I. The Contractor shall provide a Certification of Incorporation, or Certificate of Authorization to do business in Puerto Rico issued by the Department of State of Puerto Rico.

J. Special Contribution for Professional and Consulting Services: As required by Act No. 48-2013, as amended, PREPA will withhold a special contribution of one point five percent (1.5%) of the gross amounts paid under the potential Contract.

K. Social Security and Income Tax Retentions: In compliance with Executive Order 1991 OE-24; and C.F.R. Part 404 et. Seq., the Contractor will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Contract.

L. Income Tax Retention Law: PREPA shall deduct and withhold seven percent (7%) of any and all payments to residents of the Commonwealth of Puerto Rico as required by the Internal Revenue Code of Puerto Rico. In case of US citizens and Non US citizens, which are non-residents of the Commonwealth of Puerto Rico the Contractor will be retained twenty percent (20%) and twenty-nine percent (29%) respectively. PREPA will remit such withholdings to the Government of Puerto Rico's Treasury Department (known in Spanish as Departamento de Hacienda de Puerto Rico). The Contractor will request PREPA not to make such withholdings if, to the satisfaction of PREPA, the Contractor timely provides a release from such obligation by the Government of Puerto Rico's Treasury Department. 3 L.P.R.A. § 8611 et seq., 2011 L.P.R. 232; 232-2011.

M. Compliance with Act No. 1 of Governmental Ethics: The Contractor will certify compliance with Act No. 1 of January 3, 2012, as amended, known as the Ethics Act of the Government of Puerto Rico, which stipulates that no employee or executive of PREPA nor any member of his/he immediate family (spouse, dependent children or other members of his/her household or any individual whose financial affairs are under the control of the employee) shall have any direct or indirect pecuniary interest in the services to be rendered under this Contract, except as may be expressly authorized by the Governor of Puerto Rico in consultation with the Secretary of Treasury and the Secretary of Justice of the Government. 3 L.P.R.A. § 8611 et seq.;

N. Law 168-2000: Law for the Strengthening of the Family Support and Livelihood of Elderly People: The Contractor will certify that if there is any Judicial or Administrative Order demanding payment or any economic support regarding ct No. 168-2000, as amended, the same is current and in all aspects in compliance. Act No. 168-2000 "Law for the Strengthening of the Family Support and Livelihood of Elderly People" in Spanish: "Ley para el Fortalecimiento del Apoyo Familiar y Sustento de Personas de Edad Avanzada", 3 L.P.R.A. §8611 et seq.

O. Law Num. 127, May 31, 2004: Contract Registration in the Comptroller's Office of Puerto Rico Act: Payment for services object of this Contract will not be made until this Contract is properly registered in the Office of the Comptroller of the Government of Puerto Rico pursuant to Law

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Number 18 of October 30, 1975, as amended.

P. Dispensation: Any and all necessary dispensations have been obtained from any government entity and that said dispensations shall become part of the contracting record.

Q. Rules of Professional Ethics: The Contractor acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.

R. Anti-Corruption Code for a New Puerto Rico. Contractor agrees to comply with the provisions of Act No. 2-2018, as the same may be amended from time to time, which establishes the Anti-Corruption Code for a New Puerto Rico. The Contractor hereby certifies that it does not represent particular interests in cases or matters that imply a conflicts of interest, or of public policy, between the executive agency and the particular interests it represents.

Contractor shall furnish a sworn statement to the effect that neither Contractor nor any president, vice president, executive director or any member of a board of officials or board of directors, or any person performing equivalent functions for Contractor has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico or any of the crimes included in Act 2-2018.

Contractor hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.

PREPA shall have the right to terminate the agreement in the event Contractor is convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.

If any of the previously required Certifications shows a debt, and Contractor has requested a review or adjustment of this debt, Contractor will certify that it has made such request at the time of the Contract execution. If the requested review or adjustment is denied and such determination is final, Contractor will provide, immediately, to PREPA a proof of payment of this debt; otherwise, Contractor accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments.

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S. Consequences of Non-Compliance: The Contractor expressly agrees that the conditions outlined throughout this Section are essential requirements of this Contract. Consequently, should any one of these representations, warranties or certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for the PREPA to render this Contract null and void, and the Contractor shall reimburse the PREPA all moneys received under this Contract.

OPERATIONS AND MAINTENANCE AGREEMENT

THIS OPERATIONS AND MAINTENANCE AGREEMENT (this "Agreement") is entered into as of this [] day of [], 2018 (the "Execution Date"), by and between _____ ("Contractor"), a _____, represented by its _____, of legal age, and resident of _____, and **PUERTO RICO ELECTRIC POWER AUTHORITY**, a public corporation and government instrumentality of the Commonwealth of Puerto Rico ("PREPA"), represented in this act by its Chief Executive Officer/Executive Director, José F. Ortiz Vázquez, of legal age, married and resident of San Juan, Puerto Rico (each of _____ and PREPA being a "Party," and the two, collectively, being the "Parties").

RECITALS

A. PREPA, by virtue of its enabling act, Act No. 83 of May 2, 1941, as amended (Act 83), has the authority to engage those professional, technical and consulting services necessary and convenient to the activities, programs, and operations of PREPA;

B. As established in Section 205 (1) of Act 83, all purchases and contracts for supplies or services, except personal services, made by PREPA, including its capital construction contracts, shall be made by calling for bids with sufficient time before the date the bids are opened so that PREPA can guarantee proper knowledge and appearance of competitive bidders.

C. Pursuant Section 205 (2) (f) of Act No. 83 a competitive bidding shall not be necessary when in the judgment of the Governing Board, a competitive request for proposal (RFP) process for the acquisition of goods, equipment, materials or services must be carried out to encourage greater competition, reduce the risk of collusion and promote the best possible terms and conditions in benefit of greater savings and reduction of costs and operational expenses of PREPA.

D. Contractor and PREPA have entered a Purchase Agreement dated as of [], 2018 (the "Purchase Agreement"), pursuant to which Contractor__ agreed to sell, and PREPA has agreed to purchase, the Turbines and certain related equipment more fully described in the Purchase Agreement (the "Purchased Equipment").

E. Subject to the completion of the sale of the Purchased Equipment under the Purchase Agreement, PREPA has agreed to engage Contractor to provide certain operations and maintenance services (the "Services") with respect to the Purchased Equipment, and Contractor has agreed to provide the Services to PREPA, on the terms, and subject to the conditions, set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth in this Agreement, the Parties hereby agree as follows:

1. DEFINITIONS. As used in this Agreement, the words, phrases and abbreviations set forth below shall have the following meanings:

(a) "Agreement" means this Operations and Maintenance Agreement, together with all of the Exhibits to this Agreement.

(b) "Applicable Rate" means the rate of interest equal to the lesser of fifteen percent (15%); or (ii) the maximum rate permitted by applicable law.

(c) "Parties" means _____, its affiliates and subcontractors and their respective officers, directors, employees and agents.

(d) "Contractor Personnel" means the officers, directors, employees and agents of Contractor and the other Contractor Parties involved in the provision of the Services.

(e) "Available Capacity" means the Capacity of the Purchased Equipment, in MWs, for delivery of Electricity from the Purchased Equipment from time to time, as determined in accordance with the Operating Specifications.

(f) "Business Day" means any day other than a Saturday, Sunday or national and federal holiday in Puerto Rico.

(g) "Delivery Point" means the point designated in the Equipment Specifications, where the delivery of Electricity to PREPA occurs, title to Electricity is transferred, and the amount of Electricity delivered is measured and recorded for billing purposes.

(h) "Dispatch" means the orders from PREPA to Contractor, up to the Available Capacity from time to time, to deliver Electricity to the Delivery Point.

(i) "Dispatch Procedures" means the procedures for the Dispatch of Electricity from the Purchased Equipment that are set forth in the Operating Specifications.

(j) "Electricity" means electric power generated by the Purchased Equipment at the voltages and other specifications set forth in the Operating Specifications.

(k) "Equipment Specifications" means the descriptions, plans, drawings, equipment descriptions, technical specifications and other requirements of the Purchased Equipment and PREPA's Components, as more fully described in Exhibit A to this Agreement. [NTD: Confirm that Exhibit A describes the PREPA Components.]

(l) "Excusable Outage" means any shortfall in kWhr produced by the Purchased Equipment that is due to circumstances that are outside of Contractor control or pre-approved by PREPA in writing, including, but not limited to, any of the following: (i) the failure of PREPA to provide fuel that meets the Minimum Fuel Specifications; (ii) the failure of PREPA to provide fuel in sufficient quantities to operate the Purchased Equipment; (iii) planned or preventive maintenance outages, including semi-annual and annual inspections that are listed in Exhibit C to this Agreement or are otherwise approved by PREPA, which approval not be unreasonably withheld or delayed; (iv) trips due to grid frequency and voltage fluctuation outside of the parameters set forth in the

Operating Specifications; (v) trips due to electrical faults on PREPA's electrical grid; (vi) the failure of any PREPA Components, interconnection or transformers; (vii) the failure of PREPA to fulfill any of its obligations under this Agreement, including any failure to fulfill its maintenance and repair obligations in a timely manner; (viii) any damage to, or breakdowns or defects in, the Purchased Equipment, unless due to the negligence or willful misconduct of Contractor; (ix) any Force Majeure Event; (viii) the operation of the Purchased Equipment by any person other than the Contractor Personnel; and (ix) any acts or omissions of PREPA or any third party.

(m) "Execution Date" has the meaning set forth in the preamble to this Agreement.

(n) "Exhibits" means the exhibits to this Agreement, consisting of: (i) Exhibit A - Equipment Specifications, (ii) Exhibit B - Operating Specifications, (iii) Exhibit C - Maintenance Obligations; (iv) Exhibit D - Training; and (v) Exhibit E – Time and Materials.

(o) "Force Majeure Event" has the meaning set forth in Section 16 of this Agreement.

(p) "Governmental Authority" means any applicable federal, state or local governmental authority, agency, body, court, commission, department, or similar body, including the Commonwealth of Puerto Rico.

(q) "Hazardous Materials" has the meaning set forth in Section 11 of this Agreement.

(r) "Indemnified Amounts" has the meaning set forth in Section 18 of this Agreement.

(s) "kWhr" means kilowatt hours.

(t) "Laws" means any applicable federal, state and local statutes, codes, laws, ordinances, regulations, orders, reporting or licensing requirements or rules applicable to a person or its assets, liabilities, or business, including those promulgated, interpreted or enforced by any Governmental Authority, including Governmental Authorities of the Commonwealth of Puerto Rico.

(u) "Minimum Fuel Specifications" means the fuel quantity and quality specifications set forth in the Operating Specifications and shall include the fuel quality (e.g., calorific value etc.) as recommended by the equipment manufacturer.

(v) "Monthly Period" means the period commencing on the Effective Date and ending on the [____], 2018 and each subsequent monthly period ending on the same day of each subsequent month during the Term.

(w) "MWs" means megawatts.

(x) "Operating Specifications" means the operating specifications for the generation of Electricity, as more fully described in Exhibit B to this Agreement.

(y) "Performance Guaranty" has the meaning set forth in Section 7.

(z) "PREPA Components" means all equipment, machinery, materials, parts, mechanisms and systems to be provided by PREPA, as more fully described in the Equipment Specifications, other than the Purchased Equipment.

(aa) "PREPA Parties" means PREPA, its affiliates and subcontractors and their respective officers, directors, employees and agents.

(bb) "Prudent Industry Practices" means the exercise of that degree of skill and diligence, and of such practices, methods and acts, at a minimum, as would ordinarily be expected in the temporary power industry from a prudent owner and/or operator or service provider (as applicable) acting lawfully, reliably and safely.

(cc) "Purchased Equipment" has the meaning set forth in Recital C to this Agreement

(dd) "Repair Warranty" has the meaning set forth in Section 7.

(ee) "Required Approvals" has the meaning set forth in Section 4 of this Agreement.

(ff) "Services" means the services to be performed by Contractor under this Agreement.

(gg) "Service Fees" has the meaning set forth in Section 5 of this Agreement.

(hh) "Sites" means the current locations of the Purchased Equipment in Puerto Rico, which have been selected and provided by PREPA, at which the Purchased Equipment will be operated during the Term of this Agreement and as described in the Equipment Specifications.

(ii) "Term" has the meaning set forth in Section 2 of this Agreement.

(jj) "Termination Date" has the meaning set forth in Section 20 of this Agreement.

(kk) "Utilities" means all electricity, telephone, internet, water and sewer facilities necessary for the installation, operation and maintenance of the Purchased Equipment at the Sites.

2. EFFECTIVE DATE AND TERM.

(a) Subject to the provisions of Section 20 of this Agreement, this Agreement shall have a scheduled term of two-year, with two (2) options of one (1) additional year.

(the "Scheduled Term") commencing on the date of the consummation of the sale of the Purchase Equipment under the Purchase Agreement (the "Effective Date"). Neither Party shall have any obligations or liabilities under this Agreement prior to the consummation of the sale of the Purchase Equipment under the Purchase Agreement. In the event that the Purchase Agreement is terminated for any reason prior to the sale of the consummation of the sale of the Purchase Equipment, then this Agreement shall be terminated and the Parties shall be released from any obligations or liabilities under this Agreement.

(b) For purposes of this Agreement, the "Term" means the period commencing on the Effective Date and continuing until the Termination Date, as determined pursuant to Section 20 of this Agreement.

(c) The Scheduled Term is intended to be a guaranteed period, and in the event that the Agreement should be terminated prior to the last day of the Scheduled Term as a result of a PREPA Default, PREPA shall be required to pay to Contractor the Services Fees for the remainder of the Scheduled Term pursuant to the provisions of Section 19 of this Agreement.

3. SERVICES AND OBLIGATIONS OF CONTRACTOR.

(a) Contractor represents that it has the background, knowledge, skills and experience to operate and maintain the Purchased Equipment and shall use both technical and commercially reasonable efforts to operate and maintain the Purchased Equipment so that it operates in conformity with the Operating Specifications.

(b) In addition to its other obligations under this Agreement, Contractor shall have the following obligations under this Agreement:

1. to operate the Purchased Equipment in accordance with the instructions of the manufacturers of the Purchased Equipment and Prudent Industry Practices;

2. to cause the Purchased Equipment to be operated by qualified and experienced operators;

3. to be responsible for all routine manufacturer-recommended scheduled maintenance for the Purchased Equipment, but only to the extent specified in Exhibit C to this Agreement, provided that Contractor may at its option undertake other maintenance of the Purchased Equipment at the request of PREPA, subject to PREPA's obligation to pay Contractor for the cost of such additional maintenance;

4. to supply the consumables (other than fuel) and spare parts used in the normal operation of the Purchased Equipment and in the maintenance of the Purchased Equipment that Contractor is required to provide (as specified in Exhibit C to this Agreement), provided that Contractor may at its option supply other consumables, spare parts and tooling at the request of PREPA subject to PREPA's obligation to pay Contractor for the cost of such items;

5. to comply with all applicable Laws, including, but not limited to, Laws that prohibit the payment or receipt of any bribes or similar payments in violation of the United States Foreign Corrupt Practices Act, the United Kingdom Bribery Act 2010, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and any corresponding Laws governing such actions, and all applicable anti-money laundering Laws, including the U.S. Patriot Act; and the Laws of the Commonwealth of Puerto Rico; and

6. to maintain customary records for the operation and maintenance of the Purchased Equipment by Contractor, which records shall be maintained under the format recommended by the manufacturers of the Purchased Equipment, if such recommended format exists.

(c) Contractor shall have no obligation to operate or maintain any of PREPA's Components.

(d) Contractor shall be obligated to repair any damage to the Purchased Equipment caused by the negligence or willful misconduct of Contractor (but excluding any damage caused by any contributory negligence or willful misconduct of PREPA), subject to the limitation of liability set forth in Section 17 of this Agreement. Contractor shall have no obligation to make any other repairs to the Purchased Equipment or to correct any defects in the Purchased Equipment, provided that Contractor may at its option undertake such additional repairs to the Purchased Equipment and correct any defects at the request of PREPA, subject to PREPA's obligation to reimburse Contractor for the cost of such corrections or repairs.

(e) At the request of PREPA, Contractor shall provide training with respect to the operation and maintenance of the Purchased Equipment for up to ten (10) designated PREPA personnel in accordance with Contractor's On The Job Training Program as described in Exhibit D to this Agreement. Contractor shall commence such training within thirty (30) days after PREPA's request for training, provided that Contractor's obligation to provide training will expire on the Termination Date.

(f) PREPA shall dictate and Contractor shall diligently comply with PREPA's electric system operations dispatch orders for Purchased Equipment startup, no-load conditions, synchronizing, load augmentation/rejection, as well as all Purchased Equipment available operation modes for operating in the grid and shutdown orders, provided that such dispatch orders comply with the Operating Specifications.

(g) Contractor shall use commercially reasonable efforts to protect the Purchased Equipment from damage from foreseeable events, and shall use commercially reasonable efforts to provide PREPA with guidance and assistance in protecting the Purchased Equipment from imminent threats such as hurricanes. PREPA shall reimburse Contractor for any costs and expenses incurred by Contractor in protecting the Purchased Equipment.

(h) Contractor shall undertake the actions to be completed by Contractor as specified in the Transfer Protocol and Transition Plan set forth in Exhibit F.

4. CERTAIN PREPA OBLIGATIONS. In addition to its other obligations under this Agreement, PREPA shall have the following obligations:

(a) to allow Contractor to perform the necessary routine semi-annual inspections for the Purchased Equipment to include 48 hours of Excusable Outage per Turbine (non-simultaneous outages) within the first two (2) weeks following the Effective Date of this Agreement;

(b) to provide Contractor with continuous and unrestricted access to the Sites for the operation and maintenance of the Purchased Equipment;

(c) to provide all Utilities and unimpeded access to the storage, office, canteen and restroom facilities required for the operation and maintenance of the Purchased Equipment by Contractor.

(d) to provide fuel, in adequate quantity which meets or exceeds the Minimum Fuel Specifications, for the operation of the Purchased Equipment, as more fully set forth in the Operating Specifications. In the event that PREPA fails to provide fuel that meets the Minimum Fuel Specifications and Contractor will incur additional expenses (such as additional consumables, parts supplies and labor) to maintain safe and efficient operation of the Purchased Equipment, then Contractor shall provide PREPA with prior notice of such additional expenses and PREPA shall be required to reimburse Contractor for such additional expenses, provided that such expenses are reasonable. Such expenses shall be determined in accordance with the principles set forth in Exhibit E to this Agreement (the "Time and Materials Exhibit"). Additionally, in the event that PREPA objects in writing to the incurrence of the such additional expenses, then Contractor may suspend the operation of the Purchased Equipment and such suspension shall be deemed to be an Excusable Delay. In no event will Contractor shall be liable for any damage to the Purchased Equipment or any impairment of the performance of the Purchased Equipment caused by the failure of PREPA to deliver provide fuel that meets the Minimum Fuel Specifications;

(e) to procure and maintain on behalf of itself and Contractor any and all authorizations, consents, licenses, permits, approvals, certificates, or orders of any Governmental Authority necessary for the operation and maintenance of the Purchased Equipment at the Sites (the "Required Approvals");

(f) to comply with all applicable Laws, including, but not limited to, Laws that prohibit the payment or receipt of any bribes or similar payments in violation of the United States Foreign Corrupt Practices Act, the United Kingdom Bribery Act 2010, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and any corresponding Laws governing such actions, and all applicable anti-money laundering Laws, including the U.S. Patriot Act; and the Laws to provide, maintain and repair PREPA's Components in timely manner;

(g) to perform all manufacturer-recommended scheduled overhauls of PREPA's Components in a timely manner;

(h) to maintain appropriate records for the operation and all maintenance of PREPA's Components and any maintenance of the Purchased Equipment undertaken by PREPA;

(i) to perform in a timely manner all required maintenance of the Purchased Equipment other than the routine maintenance to be performed by Contractor as specified in Exhibit C to this Agreement (in this regard, the Parties acknowledge that PREPA shall be responsible for any hot section exchanges);

(j) to perform promptly any required repairs to the Purchased Equipment, other than repairs for any damage to the Purchased Equipment caused by the negligence or willful misconduct of Contractor (but excluding any damage caused by any contributory negligence or willful misconduct of PREPA), subject to the limitation of liability set forth in Section 17 of this Agreement;

(k) to supply the consumables, spare parts and tooling necessary for the operation and maintenance of the Purchased Equipment other than the consumables, spare parts and tooling to be provided by Contractor under Section 3(b)(iv);

(l) to not relocate the Purchased Equipment from the Sites, or make any modifications or repairs to the Purchased Equipment, without the prior written consent of Contractor; and

(m) to undertake the actions to be completed by PREPA as specified in the Transfer Protocol and Transition Plan set forth in Exhibit F.

5. SERVICE FEES.

(a) During the Term, in consideration for the Services, PREPA shall pay the fees specified in this Section 5 to Contractor (the "Service Fees") in the amounts, and at the times, specified in this Section 5 and Section 6.

The Service Fees will be US\$[] for each Monthly Period, or a total of US\$[] for the Scheduled Term. PREPA certifies that the funds for the payments of Services rendered under this Agreement come from budgetary allocations. All payments performed under this Agreement will be charged to PREPA's budget account number _____.

6. MONTHLY INVOICING.

(a) The Service Fees will be billed on a monthly basis in the manner described in this Section 6. PREPA will pay the Service Fees in US Dollars free from any deduction or withholding of any kind other than as specified in Section 8 of this Agreement, by wire transfer to a bank account designated by Contractor in writing.

(b) On the Effective Date, PREPA shall pay to Contractor the amount of US\$[], representing the payment of the Service Fee for the first Monthly Period. PREPA acknowledges that it has received the required invoice for such payment from Contractor.

(c) On the first day of each subsequent Monthly Period, Contractor shall deliver an invoice to PREPA which specifies the Service Fees for such Monthly Period. PREPA will be required to pay each such invoice within fifteen (15) days after it is received by PREPA, free from any withholding or setoff, except as provided in Section 8 of this Agreement. In the event that any invoice is not paid when due, then PREPA shall pay a late fee equal to six percent (6.0%) of the amount of the late payment, and such late payment shall bear interest from the due date at the Applicable Rate until paid. Additionally, upon five (5) days written notice, Contractor may suspend performance of this Agreement, and upon ten (10) days written notice to PREPA, terminate this Agreement due to the breach of this Agreement by PREPA.

Invoices must also include a written and signed certification stating that no officer or employee of PREPA, and their respective subsidiaries or affiliates, will personally derive or obtain any benefit or profit of any kind from this Contract, with the acknowledgment that invoices that do not include this certification will not be paid. This certification must read as follows:

"We certify under penalty of nullity that no public servant of PREPA will derive or obtain any benefit or profit of any kind from the contractual relationship which is the basis of this invoice. If such benefit or profit exists, the required waiver has been obtained prior to entering into the Agreement. The only consideration to be received in exchange for the delivery of goods or for the Services provided is the agreed-upon price that has been negotiated with an authorized representative of the PREPA. The total amount shown on this invoice is true and correct. The Services have been rendered, and no payment has been received".

Contractor's Signature

7. WARRANTIES AND PREFORMANCE GUARANTY.

(a) This Section 7 comprises all warranties and guaranties of Contractor relating to the performance of the Purchased Equipment and the Services of Contractor under this Agreement.

(b) Contractor shall be obligated to repair any damage to the Purchased Equipment caused by the negligence or willful misconduct of Contractor (but excluding any damage caused by any contributory negligence or willful misconduct of PREPA), subject to the limitation of liability set forth in Section 17 of this Agreement (the "Repair Warranty").

(c) After the Effective Date, in the event that the Purchased Equipment is unable to produce Electricity in the amounts Dispatched up to the Full Contract Capacity for reasons other than an Excusable Outage, then Contractor shall be obligated to pay liquidated damages to PREPA, determined in accordance with the formula set forth in the Operating Specifications (the "Performance Guaranty"). The amount of any liquidated damages under the Performance Guaranty shall be calculated based on availability during each Monthly Period. Contractor shall provide a calculation within five (5) days after the last day of each Monthly Period, and, if the calculation is accepted by PREPA, Contractor shall pay the amount of any liquidated damages within ten (10) days after the last day of such Monthly Period. The obligation of Contractor to pay liquidated damages under the Performance Guaranty is subject to PREPA's prior payment of the Services Fees. The aggregate amount of the liquidated damages payable under the Performance Guaranty for any Monthly Period will be limited to a maximum of five percent (5%) of the Service Fees for such Monthly Period. The liquidated damages shall also be subject to the limitation of liability set forth in Section 17.

(d) The Repair Warranty and the Performance Guaranty constitute PREPA's exclusive remedies for any failure or inability of the Purchased Equipment to generate Electricity, regardless of the cause of such failure or inability. Accordingly, the failure or inability of the Purchased Equipment to generate Electricity shall not relieve PREPA of its obligation to pay the Service Fees under this Agreement.

(e) Contractor disclaims all other warranties, representations, specifications, guarantees, either express or implied, in this Agreement or elsewhere, or which might arise under law or equity or custom of trade, with respect to performance of the Purchased Equipment or the Services to be performed by Contractor under this Agreement.

8. TAXES.

(a) The Parties acknowledge and agree that PREPA shall withhold an amount equal to _____ (%) of the Service Fees payable to Contractor under this Agreement on account of the income tax obligations of Contractor with respect to such Service Fees (the "Expected Puerto Rico Withholding Taxes"). PREPA shall promptly remit such withheld amounts to the Department of the Treasury of Puerto Rico. PREPA shall not withhold any other taxes from the Service Fees.

(b) The Parties acknowledge that Seller will be obligated to pay the following taxes in Puerto Rico in connection with Services and products to be provided by Contractor under this Agreement: (i) income taxes equal to [_____] percent ([_____]%) of the net income recognized by Seller from the performance of this Agreement; (ii) [add others] (collectively, the "Expected Puerto Rico Taxes").

(c) In the event that Contractor is required to pay any Puerto Rico Taxes in connection with Services and products to be provided by Contractor under this Agreement other than the Expected Puerto Rico Taxes, then PREPA shall reimburse Contractor in U.S. Dollars for the amount of such additional Puerto Rico Taxes (together

with such additional amounts as would be required to cover any additional Puerto Rico Taxes payable by Contractor as a result of such reimbursement) within thirty (30) days of the date on which Contractor provides PREPA with a written request for reimbursement, including appropriate supporting documentation.

(d) For purposes of this Agreement, "Puerto Rico Taxes" means any and all present and future import and customs duties and taxes, taxes based on gross income, net income, profits or gross receipts, consumption taxes, excise taxes, stamp taxes, sales taxes, use or value-added taxes, franchise taxes and fees, transfer taxes, labor or employment taxes, withholding taxes, taxes based on property value (including the value of assets and/or the Equipment), and all other taxes, duties, impositions, levies, fees, duties or other similar charges imposed by any Puerto Rico Governmental Authority related to the Services and products to be provided by Contractor under this Agreement, and includes all forms of taxes, including withholding taxes, impositions, levies, fees, duties or other similar charges imposed by any Puerto Rico Governmental Authority, including any applicable interest or penalties.

9. COMPLIANCE WITH, AND EFFECT OF, LAWS, CODES AND STANDARDS.

(a) The Parties acknowledge that the amount of the Service Fees is based upon the Equipment Specifications and the Operating Specifications, as well as the following items as in effect on the Effective Date: (i) industry specifications, codes and standards which Contractor deemed to be applicable to the Purchased Equipment; and (ii) Laws applicable to the operation and maintenance of the Purchased Equipment.

(b) The Service Fees shall be equitably adjusted to reflect any additional costs incurred by Contractor resulting from: (i) any change in the Equipment Specifications and the Operating Specifications requested by PREPA and agreed by Contractor; (ii) any change after the Execution Date in industry specifications, codes and standards which Contractor deems to be applicable to the Purchased Equipment; and (iii) any change after the Execution Date in applicable Laws which affects operation or maintenance of the Purchased Equipment.

(c) PREPA shall promptly notify Contractor of any changes in industry specifications, codes and standards or Laws in Puerto Rico that may be applicable to the Purchased Equipment or the operation and maintenance of the Purchased Equipment. In the event that an equitable adjustment to the Service Fees under this Agreement is not a practical means by which to address any such changes, then Contractor may terminate this Agreement for commercial impracticability and PREPA shall pay Contractor an amount equal to the balance of the Service Fees for the remainder of the Scheduled Term in order to compensate Contractor for the costs and expenses incurred by Contractor due to such termination.

10. SAFETY PROVISIONS.

1. The Seller shall comply with all applicable laws, ordinances, rules, regulations and OSHA standards for the safety of personnel, equipment, property and to

protect them from damage, injury or loss. The Seller shall erect and maintain, as required by existing conditions and progress of the work, all reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent utilities. Compliance with all safety provisions by subcontractors shall be the responsibility of the Seller.

2. The Seller shall submit a Site Specific Work Plan including: the scope of work, description of the activities to be done, special safety and health considerations to be addressed before commencement of the project, safety procedures to be applied and used during the project including but not limited to excavations, work zone protection, scaffolding, crane operations and emergency procedures for fire and chemical spill among others.

3. Before commencement of work, the Seller shall take part in a coordination meeting with PREPA's Safety Officer and Project Manager. During this meeting the areas to be worked on will be toured, the site-specific work plan will be reviewed and the protocols for Safety inspections and work permit system shall be discussed.

4. The Seller shall designate an employee as their safety officer for the project. The duties of the safety officer could be in addition to his/her normal duties. The safety officer shall be in charge of the prevention of accidents and the implementation of the Site-specific Plan in coordination with PREPA's Safety Officer, Project Manager and Resident Engineer. The Seller safety officer shall have a basic training of 30 hours in Occupational Safety and Health Standards for Construction Industry from an approved OSHA Training Center. Evidence of the training shall be submitted if requested by PREPA.

5. Welding operations shall comply with the requirements of OSHA, ANSI and NFPA.

6. All chemical products to be used shall be classified as Approved or Conditionally Approved by PREPA's Hazard Communication Section.

7. The Seller shall be responsible for maintaining good housekeeping and sanitary conditions in the work, rest, lunch and toilet areas. If the project involves the handling of non-asbestos insulation or other dust generating materials, like gypsum board, steps shall be taken to prevent the release of dust to adjacent areas.

8. Seller shall have an incident investigation procedure and shall notify to PREPA in writing any incident or accident on PREPA's facility.

9. Seller shall have available and up to date all licenses, trainings, medical surveillance and related certificates for specialized personnel required by OSHA, EQB and DOT according to the scope of work to be performed.

10. Each Contractor/Subcontractor shall adhere to a 100% drug /alcohol free work zone. At minimum, pre-project and post-accident testing is required. A positive

post-accident test or positive pre-project test will result in worker dismissal from the project. Testing will be performed following closely the NIDA standards.

11. Services including activities inside buildings occupied by working personnel, that could create a hazard to their safety or health, will be offered after PREPA'S working hours. The exception will be if the Seller could take all the necessary precautions to protect PREPA's employees and the public from any possible hazard caused by the work. The Seller will take all steps necessary to assure the area will be free of nuisance odors or vapors before PREPA's personnel is to reoccupy. All these will be done in coordination with the local supervisor of PREPA.

12. The Seller shall assure that all wastes generated by Seller as a part of the Work are removed and properly disposed of, in accordance with all applicable laws and regulations, at the end of every work shift and after the completion of the project.

13. Seller will obtain and maintain, during the duration of the project, the proper permits from all federal, state and local regulatory authorities with respect to discharge, disposal, use, storage, handling and transportation of hazardous chemicals and substances. For projects including the handling of asbestos, lead, or spilled hazardous substances, the notification to EPA or the EQB will be done by the Seller, but in coordination with the Safety Officer and the Environmental Advisor.

14. Seller will defend, indemnify and hold harmless, Puerto Rico Electric Power Authority, its employees, agents or assignees for any and all direct liabilities and expenses arising out of Seller noncompliance with these clauses, if applicable to Seller and Seller's Work, irrespective of any other terms of this agreement.

15. Puerto Rico Electric Power Authority may unilaterally terminate this contract upon Seller's failure to reasonably comply with the applicable safety provisions on this Contract upon thirty (30) days of a written notice to Seller.

11. ADDITIONAL SAFETY PROVISIONS.

(a) PREPA will take all necessary precautions, at all times, to ensure the safety of Contractor Personnel at the Sites.

(b) Contractor may, from time to time, conduct safety audits to confirm that the conditions at the Sites that are not under the responsibility of Contractor or under its control are safe and to make recommendations to PREPA concerning the condition of the Sites. Neither the conduct nor the failure to conduct any safety audits, or the making of any recommendation by Contractor, shall relieve PREPA of its obligation to provide the Contractor Personnel with a safe access to the place to work.

(c) If, in Contractor's sole opinion, the safety of the Contractor Personnel is, or is likely to be, imperiled materially by conditions at the Sites, Contractor may, at its option: (i) remove some or all of the Contractor Personnel from the Sites; (ii) supervise the operation of the Purchased Equipment from a different location; and (iii) take such other actions as Contractor deems to be necessary to protect the Contractor Personnel.

Contractor shall use reasonable efforts to notify PREPA in advance of any such actions. Each of these events shall be considered a Force Majeure Event. PREPA shall provide Contractor all updates to each site evacuation plan.

(d) If any Party encounters toxic substances or hazardous substances including, but not limited to, asbestos or hazardous wastes (as such terms may be defined in any Laws promulgated by any applicable Governmental Authority (collectively, the "Hazardous Materials") at the Sites which require special handling, disposal and/or removal, then PREPA shall:

1. immediately take whatever actions that are necessary to protect the Contractor Personnel and the Purchased Equipment; and

2. immediately take whatever actions that are necessary to eliminate such hazardous conditions in accordance with applicable Law.

(e) In the event that the operation and maintenance of the Purchased Equipment is affected by the presence of any Hazardous Materials at the Sites, then Contractor shall be entitled to suspend the performance of its obligations with respect to such activities, after written notification to PREPA and PREPA shall be deemed to be in breach of its obligations under this Agreement.

(f) PREPA shall properly dispose of all Hazardous Materials produced or generated in the course of the operation and maintenance of the Purchased Equipment. Additionally, PREPA shall dispose of non-hazardous waste items such as air filters, paper, unconsumed food, printer cartridges, etc.

(g) PREPA shall provide appropriate facilities for the collection and disposal of Hazardous Materials and other waste.

12. CERTAIN ENVIRONMENTAL MATTERS.

(a) PREPA shall have available, and close to the working area, the necessary equipment to control and pick-up any spills that could occur during the performance of the work required by the Agreement. The equipment shall include all the necessary materials for the waste disposal.

(b) Contractor shall inform and coordinate with the Supervisor of the Environmental Section any work to be done to avoid any environmental violation.

(c) PREPA shall dispose of all waste generated in connection with the operation and maintenance of the Purchased Equipment according to the all applicable environmental Laws.

(d) Before starting additional work outside the scope of this Agreement, Contractor shall submit the work plan to PREPA for evaluation of the Environmental Protection Division.

(e) All chemical analysis shall be performed by PREPA at an approved laboratory.

(f) PREPA's personnel will audit the sampling and the disposal of waste material.

(g) A company previously approved by PREPA will perform all remedial actions and environmental work.

(h) All work shall be performed according to the Best Management Practice Plan (BMPP), which is part of the Special Conditions of the NPDES Permit.

13. INSURANCE AND BONDS

Contractor shall secure and maintain in full force and effect during the life of this Contract as provided herein, policies of insurance covering all operations engaged in by the Contract as follows:

1. Commonwealth of Puerto Rico Workmen's Compensation Insurance: Contractor shall provide Workmen's Compensation Insurance as required by the Workmen's Compensation Act 45-1935 of the Commonwealth of Puerto Rico. Contractor shall also be responsible for compliance with said Workmen's Compensation Act by all its subcontractors, agents and invitees, if any.

Contractor shall furnish a certificate from the Puerto Rico State Insurance Fund showing that all personnel employed in the work are covered by the Workmen's Compensation Insurance in accordance with this Contract.

2. Employer's Liability Insurance: Contractor shall provide Employer's Liability Insurance with a minimum bodily injury limits of \$1,000,000 for each employee and \$1,000,000 for each accident covering against the liability imposed by Law upon the Contractor as result of bodily injury, by accident or disease, including death arising out of and in the course of employment, and outside of and distinct from any claim under the Workmen's Compensation Act of the Commonwealth of Puerto Rico.

3. Commercial General Liability Insurance: Contractor shall provide a Commercial General Liability Insurance with limits of \$1,000,000 per occurrence and \$1,000,000 aggregate.

4. Commercial Automobile Liability Insurance: Contractor shall provide a Commercial Automobile Liability Insurance with limits of \$1,000,000 combined single limit covering all owned, non-owned, and hired automobiles.

5. Professional Liability Insurance: The Contractor shall provide a Professional Liability Insurance with limits of \$1,000,000 per claim and \$1,000,000 aggregate.

Requirements Under the Policies:

The Commercial General Liability and Commercial Automobile Liability Insurance required under this Contract shall be endorsed to include:

a. As Additional Insured:

Puerto Rico Electric Power Authority (PREPA)
Risk Management Office
PO Box 364267
San Juan, Puerto Rico 00936-4267

b. A 30 day cancellation or nonrenewable notice to be sent to the above address.

c. An endorsement including this Contract under contractual liability coverage and identifying it by number, date and parties to the Contract.

d. Waiver of Subrogation in favor of Puerto Rico Electric Power Authority (PREPA).

e. Breach of Warranties or Conditions:

"The Breach of any of the Warranties or Conditions in this policy by the Insured shall not prejudice PREPA's rights under this policy."

Bonds:

As a Contract Security the Contractor shall furnish at the time before the execution of the Contract:

1. Performance Bond in the amount of one hundred percent (100%) of the contract price, with good and sufficient surety satisfactory to PREPA guaranteeing that the contractor will well and faithfully perform the contract work.
2. A Payment Bond in the amount of one hundred percent (100%) of the contract price, with good and sufficient surety satisfactory to PREPA to guarantee the prompt payment of all labor, supervision, equipment and materials required in the performance of the work.
3. All bonds shall be issued in the official form of PREPA.

Furnishing of Policies:

All required policies of insurance shall be in a form acceptable to PREPA and shall be issued only by insurance companies authorized to do business in Puerto Rico.

The Contractor shall furnish a certificate of insurance in original signed by an authorized representative of the insurer in Puerto Rico, describing the coverage afforded.

14. CONFIDENTIAL INFORMATION OF Contractor.

(a) The Parties acknowledge that Contractor may, from time to time, provide PREPA with confidential or propriety information of Contractor (the "Confidential Information"). The Confidential Information shall include any information that Contractor designates as confidential by label, stamp, or other written communication, and other information that shall reasonably be considered confidential, including the Equipment Specifications, the Operating Specifications and the terms of this Agreement (except as provided in Section 14(c) below).

(b) PREPA shall: (i) treat all Confidential Information of Contractor as confidential, (ii) restrict the use of the Confidential Information of Contractor to matters relating to PREPA's performance of its obligations under this Agreement, and (iii) restrict access to the Confidential Information of Contractor to PREPA Personnel whose access is necessary in the implementation of this Agreement. The Confidential Information of Contractor will not be reproduced without Contractor's prior written consent, and all copies of written information containing any Confidential Information will be returned to Contractor upon request, except to the extent that PREPA is entitled to retain copies of such information pursuant to this Agreement.

(c) The foregoing restrictions do not apply to information which is: (i) contained in a printed publication which was released to the public by Contractor prior to the Execution Date of this Agreement; (ii) publicly known otherwise than through a wrongful act of PREPA or any PREPA Party; (iii) in the possession of PREPA or any other PREPA Party prior to receipt from Contractor, provided that the person or persons providing the same have not had access to the information from Contractor; (iv) furnished to others by Contractor without restrictions similar to those in this Agreement on the right of the receiving party to use or disclose; or (v) approved in writing by Contractor for disclosure by PREPA or any other PREPA Party to a third party.

15. REPRESENTATIONS.

(a) Representations and Warranties of Contractor. Contractor hereby represents and warrants to PREPA as follows:

1. Contractor is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of _____.

2. Contractor has full power and authority to execute this Agreement and consummate the transactions contemplated hereby.

3. This Agreement has been authorized by all necessary action of Contractor and is a valid and binding agreement of Contractor, enforceable against Contractor in accordance with its terms.

(b) Representations and Warranties of PREPA. PREPA hereby represents and warrants to Contractor as follows:

1. PREPA is a public corporation, duly organized, validly existing and in good standing under the laws of Puerto Rico.

2. PREPA has full power and authority to execute this Agreement and consummate the transactions contemplated hereby.

3. This Agreement has been authorized by all necessary action of PREPA and is a valid and binding agreement of PREPA, enforceable against PREPA in accordance with its terms.

16. FORCE MAJEURE AND RELATED MATTERS.

(a) For purposes of this Agreement, a "Force Majeure Event" means any cause beyond the reasonable control of the Party claiming the occurrence of a Force Majeure Event that materially and adversely affects such Party's ability to perform its obligations under this Agreement. Force Majeure Events shall include, but not be limited to, the following: Acts of God, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, hurricanes, storms, floods, civil disturbances, lockouts, fires, explosions, unavailability of labor, interruptions of service due to the acts or failure to act of any Governmental Authority, provided that these events, or any other claimed as a Force Majeure Event, and/or its effects, are beyond the reasonable control and that such Party, within ten (10) days after the occurrence of the alleged Force Majeure Event, gives the other Party written notice describing the particulars of the occurrence and its estimated duration. The burden of proof as to whether a Force Majeure has occurred shall be on the Party claiming the Force Majeure Event. The Parties acknowledge and agree that (i) any hurricane, tropical storm or similar weather event shall be deemed to be a Force Majeure Event in all cases, (ii) the Purchased Equipment has not been designed or installed to withstand damage from any such event, and (iii) no Party shall lose its right to claim a Force Majeure Event in connection with such events due to its failure or inability to take steps to prevent damage caused by such events.

(b) Notice. Given the occurrence of an event of this nature, the affected Party shall notify the other Party, in writing, of the grounds of any Force Majeure Event within seven (7) calendar days from the time that the Force Majeure Event was evident, specifying the account of circumstances giving rise to the Force Majeure Event. Similarly, the affected Party shall notify the other Party, in writing, of the resumption of the obligation in question when the Force Majeure Event is overcome or no longer applicable.

(c) Effect of Force Majeure. If a Party, because of any Force Majeure Event, is rendered wholly or partially unable at any time to perform its obligations under this Agreement, then such Party shall not be responsible or liable for, or be in breach of this Agreement solely because of, any failure or delay in its performance of its obligations under this Agreement, to the extent that, and for so long as, such performance is prevented by such Force Majeure Event. However, in no event shall PREPA be excused from its obligations to pay Service Fees under this Agreement as a result of a Force Majeure Event.

(d) Excuse Due To Force Majeure. Upon the occurrence of a Force Majeure Event, the affected Party shall be excused, pursuant to this Section 16, from any performance or other obligations under this Agreement to the extent, and only to the extent that:

1. The suspension of performance is of no greater scope and of no longer duration than is caused by a Force Majeure Event; and

2. The affected Party uses due diligence to remedy its inability to perform; provided, however, that (A) this Section 16 shall not require the settlement of any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the affected Party, are contrary to its interest, it being understood and agreed that the settlement of strikes, walkouts, lockouts or other labor disputes shall be entirely within the discretion of such Party, and (B) this Section 16 does not impose any obligation on Contractor to repair any damage to the Purchased Equipment caused by any Force Majeure Event.

(e) Right to Terminate Agreement. In the event that either Party is unable to perform any of its material obligations under this Agreement due to a Force Majeure Event, and the Force Majeure Event continues for more than sixty (60) consecutive days despite the affected Party's reasonable commercial efforts to remedy its inability to perform, then either Party may, at its option, terminate this Agreement.

17. LIMITATION OF LIABILITY.

(a) The maximum aggregate liability of Contractor and the Contractor Parties and its suppliers, on all claims of any kind whether in contract, warranty, indemnity, tort (including negligence), or other contractual or extra contractual liability of any nature, strict liability, or otherwise, and under any system, theory or principle of law, arising out of the performance or breach of this Agreement by Contractor or the Contractor Parties, or relating to the Services, including, but not limited to any liquidated damages payable under the Performance Guaranty and any obligation of Contractor under this Agreement to repair damage to the Purchased Equipment, and any indemnification obligations of Contractor, shall not exceed the Contract amount plus the limits under the applicable insurance coverages. In no event, whether as a result of breach of contract, warranty, indemnity, tort (including negligence), strict liability or otherwise, shall Contractor or any of the other Contractor Parties or suppliers, be liable for: (i) loss of profit or revenue, loss of use of the Purchased Equipment or any associated equipment, cost of substitute

equipment, services or replacement power, downtime costs, or any special, consequential, incidental, indirect or exemplary damages, or (ii) claims of any customers or creditors of PREPA for such damages.

(b) If Contractor furnishes PREPA with advice or assistance concerning the Purchased Equipment or other products, systems or work which is not required pursuant to this Agreement, the furnishing of such advice or assistance will not subject Contractor to any liability whatsoever, whether in contract, indemnity, warranty, tort (including negligence), or other contractual or extra contractual liability of any nature, strict liability, or otherwise, and under any system, theory or principle of law.

(c) No claim may be asserted against Contractor or any other Contractor Parties, unless the breach, injury, loss or damage giving rise to the claim occurs or is sustained during the Term, and no suit or action proceeding thereon shall be instituted or maintained unless it is initiated within one (1) year after the date the cause of action occurs.

(d) The limitations on liability set forth in this Section 17 shall prevail over any conflicting or inconsistent provisions contained in this Agreement or any other agreements between the Parties, except to the extent such conflicting or inconsistent provisions contain lower limits and/or greater restrictions for the benefit of Contractor.

18. INDEMNIFICATION.

(a) Indemnification by Contractor. Subject to the limitations set forth in this Agreement, including, but not limited to, the provisions of Section 7 and Section 17, Contractor shall indemnify and hold harmless PREPA and each of the other PREPA Parties from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses or disbursements (including all reasonable legal fees and expenses) of any kind and nature whatsoever (the "Indemnified Amounts") that may at any time or times be imposed on, incurred by, or asserted against any of them (whether or not also indemnified against by any other person) as a result of:

1. any breach by Contractor of any of its obligations under this Agreement;

2. any damage to the Purchased Equipment caused by the negligence or willful misconduct of Contractor or any other Contractor Party, but excluding any damage caused by any contributory negligence or willful misconduct of PREPA or any other PREPA Party;

3. claims of any kind asserted against PREPA or any of the PREPA's Parties by any third parties caused by the negligence or willful misconduct of Contractor or any other Contractor Party, but excluding any damage caused by any contributory negligence or willful misconduct of PREPA or any other PREPA Party; or

4. any failure of Contractor and the other Contractor Parties to comply with any applicable environmental Laws or any obligations of Contractor with respect to environmental matters set forth in this Agreement.

(b) Indemnification by PREPA. In addition to its indemnification obligations under other provisions of this Agreement, PREPA shall indemnify and hold harmless Contractor and each of the other Contractor Parties from and against any and all Indemnified Amounts that may at any time or times be imposed on, incurred by, or asserted against any of them (whether or not also indemnified by any other person) as a result of:

1. any breach by PREPA of any of its obligations under this Agreement;
2. any damage to any equipment of Contractor caused by the negligence or willful misconduct of PREPA or any other PREPA Party, but excluding any damage caused by any contributory negligence or willful misconduct of Contractor or any other Contractor Party;
3. claims of any kind asserted against Contractor or any other Contractor Party by any third parties caused by the negligence or willful misconduct of PREPA or any other PREPA Party, but excluding any damage caused by any contributory negligence or willful misconduct of Contractor or any other Contractor Party;
4. any failure of PREPA and the other PREPA Parties to comply with any applicable environmental Laws or any obligations of Contractor with respect to environmental matters set forth in this Agreement; or
5. (A) the presence of any Hazardous Materials on the Sites prior to the Effective Date; (B) any improper handling or disposal of any Hazardous Materials by PREPA or any other PREPA Party; or (C) any Hazardous Materials brought on to the Sites or produced thereon at any time by any person other than Contractor.

19. DEFAULT AND REMEDIES.

(a) PREPA shall be in default under this Agreement (a "PREPA Default") upon the occurrence of any of the following events:

1. PREPA shall fail to pay when due any amount required to be paid by PREPA under this Agreement;
2. PREPA shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it under this Agreement (but only with respect to a material obligation for which this Agreement does not provide exclusive remedies); provided that: (A) Contractor shall first have provided PREPA with written notice of the nature of such breach and of Contractor's intention to terminate this Agreement as result of such breach, and (B) PREPA shall have failed within ten (10) calendar days after receipt of such notice (or such extended period as is considered reasonable by the Parties) either (1) to commence to cure such breach and diligently

thereafter to pursue such cure, or (2) to provide reasonable evidence that no such breach has occurred; or

3. any representation or warranty made by PREPA in this Agreement or in any document or certificate furnished by PREPA in connection with this Agreement or pursuant to this Agreement shall prove to be incorrect at any time in any material respect and such failure shall continue unremedied for a period of thirty (30) after written notice thereof by Contractor.

(b) Upon the occurrence of any PREPA Default, Contractor may: (i) terminate this Agreement; and/or (ii) exercise any other right or remedy which may be available to it under any applicable law, subject to the limitations set forth in this Agreement.

(c) Contractor shall be in default under this Agreement (an "Default") upon the occurrence of any of the following events:

1. Contractor shall fail to perform or observe any covenant, condition or agreement to be performed or observed by it under this Agreement (but only with respect to a material obligation for which this Agreement does not provide exclusive remedies); provided that: (A) PREPA shall first have provided Contractor with written notice of the nature of such breach and of PREPA's intention to terminate this Agreement as result of such breach, and (B) Contractor shall have failed within ten (10) calendar days after receipt of such notice (or such extended period as is considered reasonable by the Parties) either (1) to commence to cure such breach and diligently thereafter to pursue such cure, or (2) to provide reasonable evidence that no such breach has occurred; or.

2. any representation or warranty made by Contractor in this Agreement or in any document or certificate furnished by Contractor in connection with this Agreement or pursuant to this Agreement shall prove to be incorrect at any time in any material respect and such failure shall continue unremedied for a period of thirty (30) days after written notice thereof by PREPA.

(d) Upon the occurrence of any Contractor Default, PREPA may: (i) terminate this Agreement; or (ii) exercise any other right or remedy which may be available to PREPA under any applicable law, subject to the limitations set forth in this Agreement.

(e) Except as otherwise provided in Section 7 and Section 17 of this Agreement, no right or remedy of either Party referred to in this Agreement is intended to be exclusive, but each shall be cumulative and in addition to any other right or remedy under this Agreement or otherwise available to such Party at law or in equity.

20. TERMINATION AND EFFECT OF TERMINATION.

(a) Termination. This Agreement will terminate on the earliest of the following dates (any such date, the "Termination Date");

1. the last day of the Scheduled Term;

2. the date on which this Agreement is terminated as a result of the exercise by Contractor of its right of termination under Section 9 (Compliance with Laws, Codes and Standards) of this Agreement;

3. the date on which this Agreement is terminated as a result of the exercise by either Party of any right of termination under Section 16 (Force Majeure) of this Agreement;

4. the date on which this Agreement is terminated as a result of the exercise by either Party of any right of termination under Section 19 (Default and Remedies) of this Agreement; or

5. the exercise by either Party of any other express right of termination set forth in this Agreement.

Either party shall have the right to terminate this Contract for convenience, at any moment, by providing the other party thirty (30) days written notice by registered mail, return receipt requested, or overnight express mail. If notice is given, this Contract shall terminate upon the expiration of thirty (30) days and PREPA shall be obligated to pay all fees and expenses incurred up to the day of effective termination, in accordance with the terms of this Contract. The rights, duties and responsibilities of the Parties shall continue in full force and effect during the thirty (30) day notice period. Contractor shall have no further right to compensation except for what has been accrued for services rendered under this Contract until said date of effective termination.

PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duty, noncompliance, or material breach by the Contractor, as determined in the sole discretion of PREPA, or for any other reason described elsewhere in this Contract as a basis for termination. In the event the Contract is terminated by PREPA for cause, PREPA shall be obligated to pay all fees and expenses incurred up to the day of effective termination, in accordance with the terms of this Contract. Contractor shall have no further right to compensation except for what has been accrued for services rendered under this Contract until said date of effective termination.

(b) Effect of Termination. In the event of the termination of this Agreement, the Parties shall be released from any and all obligations under this Agreement, except for the following:

1. PREPA shall be obligated to pay Contractor any amounts payable by PREPA through the Termination Date, including the Service Fees;

2. if this Agreement is terminated by Contractor due to a PREPA Default under Section 17 of this Agreement, then PREPA shall be liable to Contractor for damages based upon the early termination of this Agreement in an amount equal to the Service Fees for the remainder of the Term;

3. the obligations of the Parties under Section 18 (Indemnification) of this Agreement shall continue for a period of one (1) year from the Termination Date, provided that such obligations shall continue beyond one (1) years with respect to: (A) indemnification for any claim previously asserted in writing by any Party, or (B) any third party claim that may be asserted after one (1) year that is covered by Section 18(a)(iii) or Section 18(b)(iii) of this Agreement; and

4. the provisions of Section 14 (Confidential Information of Contractor), Section 17 (Limitation of Liability), Section 22 (Waiver of Immunity) and Section 23 (Miscellaneous) of this Agreement shall continue indefinitely.

21. INDEPENDENT CONTRACTOR.

(a) Contractor shall be an independent contractor with respect to the Services and the performance of its duties under this Agreement.

(b) Neither Party shall:

1. describe itself as agent or representative of the other Party;

2. pledge the credit of the other Party in any way;

3. make any warranty or representation on behalf of or relating to the other Party;

4. sell, lease, pledge, mortgage, encumber, convey, license, exchange or make any other transfer, assignment or disposition of any property or assets of the other Party, other than the removal and disposal of waste material from the Sites;

5. settle, compromise, assign, pledge, transfer, release, waive or consent to the compromise, assignment, settlement, pledge, transfer, waiver or release of, any claim, suit, debt or demand made by any third party against the other Party or its Affiliates, or submit any such claim to arbitration or judicial process, or stipulate to a judgment or consent with respect thereto; or

6. engage in any other transaction on behalf of, or in the name of, the other Party which is not expressly permitted under this Agreement.

22. WAIVER OF IMMUNITY.

To the extent that PREPA may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process, PREPA hereby agrees not to claim and waives such immunity to the fullest extent permitted by the laws of that jurisdiction, intending in particular, but without limiting the generality of the foregoing, that this waiver shall apply in any proceedings occurring in Puerto Rico.

23. MISCELLANEOUS.

(a) Entire Agreement. This Agreement (including the Exhibits to this Agreement) constitutes the full and entire understanding and agreement between the Parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the Parties are expressly canceled. Any oral or written representation, warranty, course of dealing or trade usage not contained or referenced in this Agreement shall not be binding on either Party. Each Party acknowledges and agrees that it has not relied on, or been induced by, any representations of the other Party not contained in this Agreement.

(b) Notices. Any notices desired or required to be given pursuant to this Agreement shall be in writing and addressed to the Party at its address as set forth in the Preamble to this Agreement and shall be served in accordance with the following: (i) by personal delivery, in which case notice is deemed given when delivered to the addressee; or (ii) sent prepaid by internationally recognized courier delivery service (such as DHL or Federal Express) in which case notice is deemed given on the date of delivery. Either Party may modify its address for delivery of notices by written notice to the other Party sent in accordance with the provisions of this Section 23(b).

(c) Modification; Waiver. Modifications, waivers, additions or amendments to this Agreement shall be binding on a Party only if they are in writing and signed by a representative of such Party. The failure of either Party to enforce, at any time or for any period of time, any of the provisions of this Agreement shall not constitute a waiver of such provisions or of the right of such Party to enforce each and every provision of this Agreement.

(d) Assignment. Neither Party shall assign, sell, pledge or hypothecate this Agreement or any of its rights under this Agreement, in whole or in part, without the prior written consent of the other Party (which may be granted or withheld by such Party in its sole discretion), whether directly, indirectly or by operation of law, provided that Contractor may assign its right to receive payments under this Agreement to its lenders or may assign all of its obligations hereunder to the surviving entity in the event of a change in corporate control. No permitted assignment shall relieve a Party of any of its obligations under this Agreement.

(e) Governing Law and Venue. This Agreement shall be governed by the laws of the Commonwealth of Puerto Rico, excluding any provisions related to conflicts of laws.

(f) Venue. The Parties (i) hereby irrevocably and unconditionally submit to the jurisdiction of the United States District Court for the District of Puerto Rico, for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (ii) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the United States District Court for the District of Puerto Rico, and (iii) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named court, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in

an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

(g) Waiver of Right to Jury Trial. Each Party hereby waives its rights to a jury trial of any claim or cause of action based upon or arising out of this agreement, the subject matter of this agreement or the relationship of the parties. The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including, without limitation, contract claims, tort claims (including negligence), breach of duty claims, and all other common law and statutory claims. This section has been fully discussed by each of the parties and these provisions will not be subject to any exceptions. Each party hereby further warrants and represents that such party has reviewed this waiver with its legal counsel, and that such party knowingly and voluntarily waives its jury trial rights following consultation with legal counsel.

(h) Severability. Any provision of this Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(i) Third Party Beneficiaries. Except as expressly provided in Section 18 of this Agreement, nothing in this Agreement is intended to confer upon any person, other than the Parties or their respective successors, any rights or remedies under or by reason of this Agreement.

(j) Form of Consent. In any case where the consent or approval of either Party is required, no such consent or approval shall be valid unless the same shall be in writing and signed by a representative of such Party.

(k) Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

(l) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

(m) Ambiguity. No ambiguity in any provision of this Agreement shall be construed against either Party by virtue of the fact that such Party, or its counsel, drafted such provision.

24. TERMINATION BY THE CHIEF OF STAFF OF THE GOVERNOR OF PUERTO RICO AND INTERAGENCY AGREEMENTS

Pursuant to Memorandum No. 2017-001, Circular Letter 141-17, of the Office of the Chief of Staff of the Governor of Puerto Rico (Secretaría de la Gobernación) and the Office of Management and Budget (Oficina de Gerencia y Presupuesto – OGP), the Chief of Staff shall have the authority to terminate this Contract at any time. If so directed by the Chief of Staff, PREPA will terminate this Contract by delivering to the Contractor a notice of termination specifying the extent to which the performance of the work under this Contract is terminated, and the effective date of termination. Upon the effective date of termination, the Contractor shall immediately discontinue all services affected and deliver to PREPA all information, studies and other materials property of PREPA. In the event of a termination by notice, PREPA shall be liable only for payment of services rendered up to and including the effective date of termination.

Both parties acknowledge and agree that the contracted services herein may be provided to another entity of the Executive Branch which enters into an interagency agreement with PREPA or by direct disposition of the Office of the Chief of Staff. These services will be performed under the same terms and conditions in terms of hours of work and compensation set forth in this Agreement. For the purpose of this clause, the term “entity of the Executive Branch” includes all agencies of the Government of Puerto Rico, as well as all instrumentalities and public corporations.

25. COMPLIANCE WITH THE COMMONWEALTH OF PUERTO RICO CONTRACTING REQUIREMENTS. Contractor shall be required to comply with the requirements set forth in this Section 24 only to the extent required under the Laws of Puerto Rico and otherwise applicable to the Services to be rendered by Contractor under this Agreement.

A. Executive Order Num. OE-1991-24 of June 18, 1991 to require certification of compliance with the Internal Revenue Services of the Commonwealth of Puerto Rico: Pursuant to Executive Order Number OE-1991-24 of June 18, 1991, the Seller will certify and guarantee that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years.

The Seller, further will certify that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. The Seller shall provide, to the satisfaction of PREPA, and whenever requested by PREPA during the term of this Contract, the necessary documentation to support its compliance with this clause. The Seller will be given a specific amount of time to produce said documents. During the term of this Contract, the Seller agrees to pay and/or to remain current with any repayment plan agreed to by the Seller with the Government of Puerto Rico.

B. Executive Order Num. OE-1992-52 of August 28, 1992 to require certification of compliance with the Department of Labor of the Commonwealth of Puerto Rico. Pursuant to Executive Order Number 1992-52, dated August 28, 1992 amending OE-1991-24, the Seller will certify and warrant that it has made all payments required for unemployment benefits, workmen's compensation and social security for chauffeurs, whichever is applicable, or that in lieu thereof, has subscribed a payment plan in

connection with any such unpaid items and is in full compliance with the terms thereof. The Seller accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every Contractor and Sub Contractor whose service the Seller has secured in connection with the services to be rendered under this Contract and shall forward evidence to PREPA as to its compliance with this requirement.

C. Government of Puerto Rico Municipal Tax Collection Center: The Seller will certify and guarantee that it does not have any current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (known in Spanish as Centro de Recaudación de Ingresos Municipales ("CRIM")). The Seller further will certify to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico. The Seller shall provide, to the satisfaction of PREPA and whenever requested by PREPA during the term of this Contract, Certification issued by the Municipal Revenues Collection Center (MRCC), assuring that Seller does not owe any tax accruing to such governmental agency. To request such Certification, Seller will use the form issued by the MRCC (called "CRIM-Certificados, Radicación, Estado de Cuenta y Todos los Conceptos" in the website). The Seller will deliver upon request any documentation requested by PREPA. During the Term of this Contract, the Seller agrees to pay and/or to remain current with any repayment plan agreed to by the Seller with the Government of Puerto Rico with regards to its property taxes.

The Seller shall provide a Personal Property Tax Filing Certification, issued by the MRCC which indicates that Seller has filed its Personal Property Tax Return for the last five (5) contributory terms or Negative Debt certification issued by the MRCC with respect to real and property taxes and a sworn statement executed by Seller indicating that (i) its revenues are derived from the rendering of professional services, (ii) during the last five (5) years (or the time in which it has been providing professional services) it has had no taxable business or personal property on the 1st of January of each year, (iii) that for such reasons it has not been required to file personal property tax returns, as required under Article 6.03 of Act 83-1991, as amended and (iv) that for such reason it does not have an electronic tax file in the MRCC's electronic system.

D. The Seller shall furnish a Certification issued by the Treasury Department of Puerto Rico which indicates that Seller does not owe Puerto Rico Sales and Use taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan and is in full compliance with its terms.

E. The Seller shall provide a Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Seller has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.

F. The Seller shall provide a copy of Seller's Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.

G. Puerto Rico Child Support Administration (ASUME): The Seller shall

present, to the satisfaction of PREPA, the necessary documentation certifying that the Seller nor any of its owners, affiliates of subsidiaries, if applicable, have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with the Puerto Rico Child Support Administration (known in Spanish as the Administración Para El Sustento de Menores (ASUME)). The Seller will be given a specific amount of time to deliver said documents. 3 L.P.R.A. § 8611 et seq.;

H. The Seller shall provide a Good Standing Certificate issued by the Department of State of Puerto Rico.

I. The Seller shall provide a Certification of Incorporation, or Certificate of Authorization to do business in Puerto Rico issued by the Department of State of Puerto Rico.

J. If applicable, PREPA will deduct and withhold a Special Contribution to PREPA Net the equivalent of one point five percent (1.5%) from payment for services under this Agreement, in compliance with Article 1, Act 48-2013. PREPA shall forward such amounts to the Department of Treasury of Puerto Rico, and shall deliver evidence to PREPA Net of such payments.

K. Social Security and Income Tax Retentions: In compliance with Executive Order 1991 OE- 24; and C.F.R. Part 404 et. Seq., the Seller will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Contract.

L. Income Tax Retention Law: PREPA shall deduct and withhold seven percent (7%) of any and all payments to residents of the Commonwealth of Puerto Rico as required by the Internal Revenue Code of Puerto Rico. In case of US citizens and Non US citizens, which are nonresidents of the Commonwealth of Puerto Rico the Seller will be retained twenty percent (20%) and twenty-nine percent (29%) respectively. PREPA will remit such withholdings to the Government of Puerto Rico's Treasury Department (known in Spanish as Departamento de Hacienda de Puerto Rico). The Seller will request PREPA not to make such withholdings if, to the satisfaction of PREPA, the Seller timely provides a release from such obligation by the Government of Puerto Rico's Treasury Department. 3 L.P.R.A. § 8611 et seq., 2011 L.P.R. 232; 232-2011.

M. Compliance with Act No. 1 of Governmental Ethics: The Seller will certify compliance with Act No. 1 of January 3, 2012, as amended, known as the Ethics Act of the Government of Puerto Rico, which stipulates that no employee or executive of PREPA nor any member of his/he immediate family (spouse, dependent children or other members of his/her household or any individual whose financial affairs are under the control of the employee) shall have any direct or indirect pecuniary interest in the services to be rendered under this Contract, except as may be expressly authorized by the Governor of Puerto Rico in consultation with the Secretary of Treasury and the Secretary of Justice of the Government. 3 L.P.R.A. § 8611 et seq.;

N. Law 168-2000: Law for the Strengthening of the Family Support and

Livelihood of Elderly People: The Seller hereby certifies that if there is any Judicial or Administrative Order demanding payment or any economic support regarding Act No. 168-2000, as amended, the same is current and in all aspects in compliance. Act No. 168-2000 "Law for the Strengthening of the Family Support and Livelihood of Elderly People" in Spanish: "Ley para el Fortalecimiento del Apoyo Familiar y Sustento de Personas de Edad Avanzada", 3 L.P.R.A. §8611 et seq.

O. Law Num. 127, May 31, 2004: Contract Registration in the Comptroller's Office of Puerto Rico Act: Payment for services object of this Contract will not be made until this Contract is properly registered in the Office of the Comptroller of the Government of Puerto Rico pursuant to Law Number 18 of October 30, 1975, as amended.

P. Dispensation: Any and all necessary dispensations have been obtained from any government entity and that said dispensations shall become part of the contracting record.

Q. Articles extracted, produced, assembled, packaged or distributed in Puerto Rico by enterprises with operations in Puerto Rico, or distributed by agents established in Puerto Rico shall be used when the service is rendered, provided that they are available.

R. Rules of Professional Ethics: The Seller acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.

S. Prohibition with respect to execution by public officers: (3 L.P.R.A. 8615(c))

No public officer or employee authorized to contract on behalf of the executive agency for which he/she works may execute a contract between the agency for which he/she works and an entity or business in which he/she or any member of his/her family unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office.

T. Prohibition with respect to contracting with officers or employees: (3 L.P.R.A. 8615(d))

No executive agency may execute a contract in which any of its officers or employees or any member of their family units has or has had direct or indirect economic interest during the last four (4) years prior to their holding office, unless the Governor gives authorization thereto with the previous recommendation of the Secretary of the Treasury and the Secretary of Justice.

U. Prohibition with respect to contracts with officers and employees of other Government entities: (3 L.P.R.A. 8615(e))

No public officer or employee may be a party to or have any interest in any profits or benefits produced by a contract with any other executive agency or government dependency unless the Governor gives express authorization thereto with previous recommendation from the Secretary of the Treasury and the Secretary of Justice.

V. Prohibition with respect to evaluation and approval by public officers: (3 L.P.R.A. 8615(f))

No public officer or employee who has the power to approve or authorize contracts shall evaluate, consider, approve or authorize any contract between an executive agency and an entity or business in which he/she or any member of his/her family unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office.

W. Prohibition with respect to execution by public officers contracts with former public officers: (3 L.P.R.A. 8615(h))

No executive agency shall execute contracts with or for the benefit of persons who have been public officers or employees of said executive agency until after two (2) years have elapsed from the time said person has ceased working as such.

X. Anti-Corruption Code for a New Puerto Rico. Seller agrees to comply with the provisions of Act No. 2-2018, as the same may be amended from time to time, which establishes the Anti-Corruption Code for a New Puerto Rico.

The Seller hereby certifies that it does not represent particular interests in cases or matters that imply a conflicts of interest, or of public policy, between the executive agency and the particular interests it represents.

Seller shall furnish a sworn statement to the effect that neither Seller nor any president, vice president, executive director or any member of a board of officials or board of directors, or any person performing equivalent functions for Seller has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico or any of the crimes included in Act 2-2018.

Seller hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.

PREPA shall have the right to terminate the agreement in the event Seller is convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the

crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.

If any of the previously required Certifications shows a debt, and Seller has requested a review or adjustment of this debt, Seller will certify that it has made such request at the time of the Contract execution. If the requested review or adjustment is denied and such determination is final, Seller will provide, immediately, to PREPA a proof of payment of this debt; otherwise, Seller accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments.

Y. Consequences of Non-Compliance: The Seller expressly agrees that the conditions outlined throughout this Section are essential requirements of this Contract. Consequently, should any one of these representations, warranties or certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for the PREPA to render this Contract null and void, and the Seller shall reimburse the PREPA all moneys received under this Contract.

26. COMPLIANCE WITH APPLICABLE FEDERAL LAW, REGULATIONS AND EXECUTIVE ORDERS. Contractor shall only be obligated to comply with the requirements set forth in this Section 25 to the extent required under federal law and otherwise applicable to the Services to be rendered by Contractor under this Agreement.

Compliance with the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 3701-3708) as supplemented by Department of Labor regulations (29 CFR part 5).

A. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701–3708).

1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (A)(1) of this section the Seller and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Seller and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (A)(1) of this section, in the sum of \$26 for each calendar day on which such individual was required or permitted to work in excess of the

standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (A)(1) of this section.

3. Withholding for unpaid wages and liquidated damages. PREPA shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Seller or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Seller or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (A)(2) of this section.
4. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (A) (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (A)(1) through (4) of this section.

- B. Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended). Contractor certifies that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall so certify to the tier above it. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient (the Puerto Rico Emergency Management Agency). Seller shall also submit to PREPA the required certification regarding lobbying at Appendix A, 44 C.F.R. Part 18.

C. Clean Air Act and the Federal Water Pollution Control Act.

1. The Seller agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq., and the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
2. The Seller agrees to report each violation to PREPA and understands and agrees that PREPA will, in turn, report each violation as required to assure notification to the Puerto Rico Emergency Management Agency, the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
3. The Seller agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance.

- D. Changes. At any time, and only through a written change order instruction, PREPA may make changes in the Services or work to be performed within the general scope of this Contract. If such changes cause an increase or decrease in Contractor's cost of, or time required for, performance of any services under this Contract, an equitable adjustment shall be made and this Contract shall be modified in writing accordingly, provided, however, that no changes shall be made to the scope of the Services that would render the costs incurred in the performance of this Contract unallowable or not allocable under, or outside the scope or not reasonable for the completion of, Federal grant awards from FEMA or any other U.S. federal agency.
- E. Sufficiency of Funds. The Seller recognizes and agrees that funding for this Contract is contingent upon the availability of Federal assistance awarded by federal agencies to the Government of Puerto Rico. A failure of PREPA to make any payment under this Contract due to unavailability of Federal and/or Government of Puerto Rico funding shall not constitute a breach of the Contract by PREPA or default thereunder and PREPA and the Government of Puerto Rico shall not be held financially liable therefore. If during the term of this Contract, Federal or local funding is reduced, deobligated, or withdrawn, PREPA may reduce the scope of or terminate the Contract. PREPA shall provide the Seller with written notice of the lack of funding within a reasonable time and PREPA reserves all rights to reduce the scope of or terminate the Contract as a result of lack of funding.
- F. FEMA Disaster Assistance Survivor/Registrant Data.
1. If the Seller has access to Disaster Assistance Survivor/Registrant data or any other personally identifiable information, the Seller shall comply with the provisions of the Terms and Conditions for Sharing FEMA Disaster Assistance Survivor/Registrant Data with State Governments set forth in the FEMA-Government of Puerto Rico Contract for FEMA-4339-DR-PR.
 2. The Seller shall indemnify, defend, and hold harmless PREPA and the Government of Puerto Rico for any and all costs associated with the defense of that litigation, including costs and attorneys' fees, settlements, or adverse judgments arising from the Seller's failure to comply with the requirements under this contract.
- G. Costs. All costs incurred by the Seller in performance of this Contract must be in accord with the cost principles of 2 C.F.R. pt. 200, Subpart E. PREPA shall not be required to make payments to the Seller for costs which are found to be contrary to the cost principles 2 C.F.R. pt. 200, Subpart E.
- H. Financial Management System. The Seller's financial management system shall provide for the following:

1. accurate, current, and complete disclosure of the financial results of this Contract and any other contract, grant, program, or other activity administered by the Seller;
2. records adequately identifying the source and application of all Seller funds and all funds administered by the Seller which shall contain information pertaining to all contract and grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income, and shall be segregated by contract or on a contract-by-contract basis;
3. effective internal control structure over all funds, property, and other assets, sufficient to allow the Seller to adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes;
4. comparison of actual outlays with budgeted amounts for this Contract and for any other contract, grant, program, or other activity administered by the Seller;
5. accounting records supported by source documentation;
6. procedures to minimize elapsed time between any advance payment issued and the disbursement of such advance funds by the Seller; and
7. procedures consistent with the provisions of any applicable policies of the Federal Government and the Government of Puerto Rico and procedures for determining the reasonableness, allowability and allocability of costs under this Contract.

I. Penalties, Fines, and Disallowed Costs. In the event that any U.S. Federal agency or the Government of Puerto Rico disallows or demands repayment for costs incurred in the performance of this Contract, or if any penalty is imposed due to an act or omission by the Seller, the Seller shall be solely responsible for such penalty, disallowed costs, or repayment demand, and shall reimburse PREPA in full within ten days of receiving notice from PREPA of such penalty, disallowance, or repayment demand. Any monies paid by the Seller pursuant to this provision shall not relieve the Seller of liability to PREPA for damages sustained by PREPA by virtue of any other provision of this Contract.

J. Debarment, Suspension, and Ineligibility.

1. This Contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the Seller represents and warrants that none of the Seller, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935). The Seller further represents and warrants that it will not enter into any contracts or subcontracts with any individual or entity which has been debarred, suspended or deemed ineligible under those provisions. During the term of this Contract, the Seller will periodically review SAM.gov and local notices to verify the continued accuracy of this representation. The Seller shall require all subcontractors at every tier to comply with this requirement.
2. The Seller must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

3. This certification is a material representation of fact relied upon by PREPA. If it is later determined that the Seller did not comply with 2 C.F.R. pt. 180, subpart C, or 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the Government of Puerto Rico and PREPA, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.
- K. Reporting Requirements. The Seller shall complete and submit all reports, in such form and according to such schedule, as may be required by PREPA.
- L. Review of laws. The Seller certifies that it will access online and read each law that is cited in the aforementioned clauses and that, in the event it cannot access the online version, it will notify PREPA in order to obtain printed copies of the laws. Not requiring a printed copy of the laws to PREPA will be evidence that the Seller was able to find it online and read it as required.
- M. Notice of Federal Emergency Management Agency (FEMA) Reporting Requirements and Regulations.
1. PREPA is using Federal grant funding awarded or administered by FEMA to the Government of Puerto Rico and/or PREPA to pay, in full, for the costs incurred under this Contract. As a condition of FEMA funding under major disaster declaration FEMA-4339-DR-PR, FEMA requires the Government of Puerto Rico and PREPA to provide various financial and performance reporting. The Seller agrees to provide all information, documentation, and reports necessary to satisfy these reporting requirements. Failure by the Seller to provide information necessary to satisfy these reporting requirements may result in loss of Federal funding for this Contract, and such failure shall be a material breach of this Contract.
 2. Applicable Regulations and Policy. Applicable regulations, FEMA policy, and other sources setting forth these reporting requirements include, but are not limited to:
 - (1) 2 C.F.R. § 327 (Financial Reporting);
 - (2) 2 C.F.R. § 200.328 (Monitoring and Reporting Program Performance);
 - (3) Performance and financial reporting requirements set forth in 2 C.F.R. Part 206.
- N. Access to Records.
1. The Seller agrees to provide PREPA, the Government of Puerto Rico, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Seller which are directly pertinent to this Contract for the purposes of making audits, examinations, excerpts, and transcriptions.
 2. The Seller agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

3. The Seller agrees to provide the FEMA Administrator or his authorized representatives access to work sites pertaining to the work being completed under the Contract.
- O. Retention requirements for records. The Seller agrees to maintain all books, records, accounts, and reports and all other records produced or collected in connection with this Contract for a period of not less than three years from the date of submission by PREPA or the Puerto Rico Emergency Management Agency, on PREPA's behalf, of the final expenditure report for disaster declaration FEMA-4339-DR-PR, as reported to FEMA. If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken. It is the responsibility of the Seller to inquire of PREPA whether the aforementioned final expenditure report has been submitted.
- P. Program Fraud and False or Fraudulent Statements or Related Acts. The Seller acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Seller's actions pertaining to this Contract.
- Q. Procurement of Recovered Materials. In the performance of this Contract, the Seller shall make maximum use of products containing recovered materials that are Environmental Protection Agency ("EPA")- designated items unless the product cannot be acquired—
1. Competitively within a timeframe providing for compliance with the Contract performance schedule;
 2. Meeting Contract performance requirements; or
 3. At a reasonable price.
- Information about this requirement, along with the list of EPA-designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.
- R. Energy Efficiency. The Seller agrees to comply with the requirements of 42 U.S.C. § 6201, which contain policies relating to energy efficiency that are defined in the Government of Puerto Rico's energy conservation plan issued in compliance with said statute.
- S. Equal Employment Opportunity. During the performance of this Contract, the Seller agrees as follows:
- a) The Seller will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Seller will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall

include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Seller agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

- b) The Seller will, in all solicitations or advertisements for employees placed by or on behalf of the Seller, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
- c) The Seller will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Seller's legal duty to furnish information.
- d) The Seller will send to each labor union or representative of workers with which it has a collective bargaining Contract or other contract or understanding (if any) a notice advising the labor union or workers' representative of the Seller's commitments under section 202 of the US Executive Order 11246 of September 24, 1965, as amended, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- e) The Seller will comply with all provisions of Executive Order 11246, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- f) The Seller will furnish all information and reports required by Executive Order 11246, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by PREPA, the Government of Puerto Rico, and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- g) In the event of the Seller's non-compliance with the nondiscrimination clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Seller may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246, and such other sanctions may be imposed and remedies

invoked as provided in Executive Order 11246, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

The Seller will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order, unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246, so that such provisions will be binding upon each subcontractor or vendor. The Seller will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the Seller becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Seller may request the United States to enter into such litigation to protect the interests of the United States.

- T. Age Discrimination Act of 1975. The Seller shall comply with the provisions of the Age Discrimination Act of 1975. No person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity receiving federal financial assistance.
- U. Americans with Disabilities Act. The Seller shall comply with the appropriate areas of the Americans with Disabilities Act of 1990, as enacted and from time to time amended, and any other applicable federal regulation. A signed, written certificate stating compliance with the Americans with Disabilities Act may be requested at any time during the term of this Contract.
- V. Title VI of the Civil Rights Act of 1964. The Seller shall comply with the provisions of Title VI of the Civil Rights Act of 1964. No person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
- W. Section 504 of the Rehabilitation Act of 1973, as Amended. The Seller agrees that no otherwise qualified individual with disabilities shall, solely by reason of his disability, be denied the benefits, or be subjected to discrimination including discrimination in employment, any program or activity that receives the benefits from the federal financial assistance.
- X. Drug-Free Workplace. The Seller shall maintain a drug-free work environment in accordance with the Drug-Free Workplace Act of 1988 (41 U.S.C. § 8101 et seq.), and implementing regulations at 2 C.F.R Part 3001.
- Y. Compliance with Laws, Regulation and Executive Orders. The Seller acknowledges that FEMA financial assistance will be used to fund this Contract. The Seller shall comply will all applicable Federal and Government of Puerto Rico

law, regulations, executive orders, policies, procedures, and directives, including but not limited to all Federal Cost Principles set forth in 2 C.F.R. Part 200, and all applicable FEMA regulations in 44 C.F.R. Chapter I, and 2 C.F.R. Part 200.

- Z. Provisions Required by Law Deemed Inserted. Each and every provision required by law regulation, executive order, policy, procedure, directive, Federal grant award or agreement, or cooperative agreement with any Federal agency to be inserted in this Contract shall be deemed to be inserted herein and the Contract shall be read and enforced as though it were included herein. If, through mistake or otherwise, any provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall be amended to make such insertion or correction.
- AA. Agreement to Execute Other Required Documents. Seller and all subcontractors, by entering into the Contract, understand and agree that funding for the Services is provided under Federal programs with specific contracting requirements. To the extent any such requirement is not otherwise set forth herein, Seller agrees to execute such amendments or further agreements as may be necessary to ensure that PREPA receives Federal funding for this Contract.
- BB. U.S. Department of Homeland Security Seal, Logo, and Flags. The Seller shall not use the U.S. Department of Homeland Security seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre- approval.
- CC. No Obligation by the Federal Government. PREPA and the Seller acknowledge and agree that the Federal Government is not a party to this Contract and is not subject to any obligations or liabilities to PREPA, Seller, or any other party pertaining to any matter resulting from the contract.

IN WITNESS WHEREOF, each of the Parties has executed this Agreement as of the Execution Date.

_____:

By: _____

Its: _____

Name: _____

PREPA:

PUERTO RICO ELECTRIC POWER AUTHORITY

By: _____

Its: _____

Name: _____

EXHIBIT A
EQUIPMENT SPECIFICATIONS

EXHIBIT B
OPERATING SPECIFICATIONS

EXHIBIT C
MAINTENANCE OBLIGATIONS

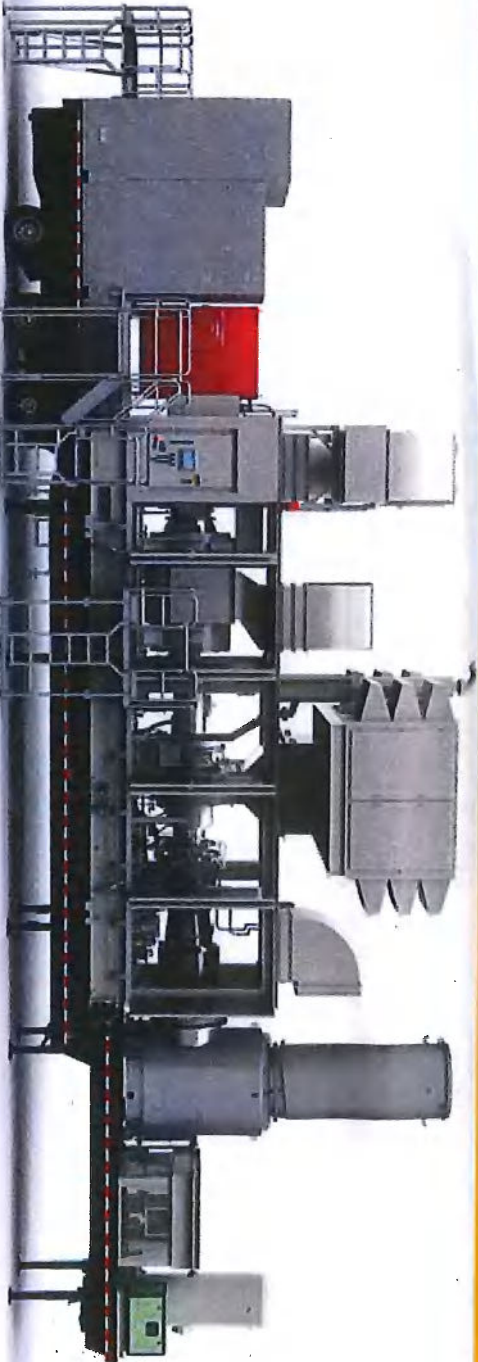
EXHIBIT D

TRAINING

EXHIBIT E
TIME AND MATERIALS

EXHIBIT F
TRANSFER PROTOCOL / TRANSITION PHASE

Mobile Generation Units



Autoridad de
Energía Eléctrica

Presentation to Governing Board
August 28, 2018

CONCEPT

- Create microgrids in outages situations:
 - After a natural disaster
 - During restoration works on the powerlines
 - During repair or maintenance of generating units
- May compensate for lack of generation in the north due to units repairs
- Flexibility in location of power generation
- Seeking federal reimbursement



SCOPE

- Seeking proposals for three Mobile Power Turbines
- Capacity per Unit: 25 MW to 40 MW
- Full delivery in 90 days
- Optional 2-year O&M contract
- Location:
 - Two installed in Palo Seco Steam Plant
 - One installed in Yabucoa Power Station



Autoridad de
Energía Eléctrica

SCOPE

- Seeking proposals for three Mobile Power Turbines
- Capacity per Unit: 25 MW to 40 MW
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- Optional 2-year O&M contract
- Location:
 - Two installed in Palo Seco Steam Plant
 - One installed in Yabucoa Power Station



Autoridad de
Energía Eléctrica

TECHNICAL DESCRIPTION

- Capability to burn Distillate #2 (diesel) and natural gas. PREPA will supply fuel.
- Contractor shall supply mobile 15kV switchgear, controls, and Balance of Plant (BOP)
- Shall be capable to operate as isolated units or synchronized to the electrical grid
- From standby to full load in 30 minutes
- Shall comply with environmental requirements



Autoridad de
Energía Eléctrica

Mobile Generation Units

SCOPE

- Seeking proposals for three Mobile Power Turbines
- Capacity per Unit: 25 MW to 40 MW
- Full delivery in 90 days
- Optional 2-year O&M contract
- Location:
 - Two installed in Palo Seco Steam Plant
 - One installed in Yabucoa Power Station



Autoridad de
Energía Eléctrica

PUERTO RICO ELECTRIC POWER AUTHORITY
GENERATION DIRECTORATE

MOBILE GENERATION UNITS

TERMS AND CONDITIONS

AS FIRST PARTY: AS FIRST PARTY: The Puerto Rico Electric Power Authority, hereinafter referred to as "PREPA", a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act of May 2, 1941, No. 83, as amended, represented in this act by its Chief Executive Officer/Executive Director, José F. Ortiz Vázquez, of legal age, married, professional engineer, and resident of San Juan, Puerto Rico.-----

AS SECOND PARTY: (**Name of Company**) hereinafter referred to as "the Contractor", a partnership organized and existing under the laws of Puerto Rico, authorized to do business in Puerto Rico, represented in this act by its (**Position in Company**), (**Name of Person**), (**Profession**), (**Civil Status**) and resident of (**Municipality**), by virtue of _____ dated as _____.

WITNESSETH

A. PREPA, by virtue of its enabling act, Act No. 83 of May 2, 1941, as amended (Act 83), has the authority to engage those professional, technical and consulting services necessary and convenient to the activities, programs, and operations of PREPA;-----

B. As established in Section 205 (1) of Act 83, all purchases and contracts for supplies or services, except personal services, made by PREPA, including its capital construction contracts, shall be made by calling for bids with sufficient time before the date the bids are opened so that PREPA can guarantee proper knowledge and appearance of competitive bidders.-----

C. Pursuant Section 205 (2) (f) of Act No. 83 a competitive bidding shall not be necessary when in the judgment of the Governing Board, a competitive request for proposal (RFP) process for the acquisition of goods, equipment, materials or services must be carried out to encourage greater competition, reduce the risk of collusion and promote the best possible terms and conditions in benefit of greater savings and reduction of costs and operational expenses of PREPA.-----

IN CONSIDERATION of the mutual covenants hereinafter stated, the parties agree themselves, their personal representatives, successors, and assignees, as follows: -----

ARTICLE 1. Scope of Contract

The contractor shall provide three (3) new, zero-hour gas turbine units and perform its delivery, installation, testing, and commissioning. Each mobile unit shall have a generating capacity between 25 and 40 MW and shall include the necessary Balance of Plant (BOP) equipment and black start system. -----

The units shall be procured to burn at least both, distillate #2 fuel (diesel) and liquified natural gas (LNG). Units may also be capable to burn a third fuel option. The units shall be equipped with modern environmental control equipment to meet all current permitting requirements. Each gas turbine package shall have fast start capability. -----

The Contractor shall furnish all the supply, delivery, installation, testing, and commissioning of the three units or other necessary services for the Yabucoa Power Station and Palo Seco Power Plant in strict accordance with the provisions of this Contract, including the General Conditions, Special Conditions, Technical Specifications No. **[number]**, Proposal Forms, Contractor's Bidding Proposal, and reference drawings, all of which are hereby made a part hereof Provided that, on or before the term of this Contract is expired, as part of its obligations herein stated, the Contractor shall deliver to PREPA a true and exact copy of all diagrams, plans, sketches, maps, and other documents used in the performance of contracted works and for which a third party copyright or patent right would not be an impediment for such delivery. -----

ARTICLE 2. Definitions

Whenever the words defined in this article or pronouns used instead are mentioned in this Contract, they shall have the meanings here given: -----

- 2.1 Act of God – an Act of God is construed herein to mean an earthquake, hurricane or other cataclysmic phenomenon of nature not ordinarily occurring. Rains, windstorms, floods or other natural phenomenon of normal intensity for the

particular locality, as determined by the preceding five (5) year monthly average from records of the nearest National Oceanic And Atmospheric Administration recording station, shall not be construed as an Act of God.-----

2.2 Applicable Law – shall mean any federal, state or local act, statute, law, code, rule, regulation or order applicable to Contractor’s performance of the work.-----

2.3 Calendar Day – shall mean each and every 24-hour day shown on the calendar, beginning and ending at midnight. -----

2.4 CES Inspector Plan - Monitoring engineer hired to perform monthly inspections and assure compliance with the Approved Erosion and Sedimentation Control Plan for the Project with regulatory agencies. -----

2.5 Contracting Officer - shall mean the Executive Director of PREPA, acting directly or through his properly authorized representatives as notified in writing to the Contractor. -----

2.6 Completion Date – date in which all tasks and project scope had been completed.

2.7 Contract - shall mean, collectively, all the covenants, terms, and stipulations in these articles of agreement, and in all supplementary documents hereto attached which constitute essential parts of the Contract and are hereby made part thereof, to wit:-----

Contract
Special Conditions
Technical Specifications and Drawings enumerated therein
Proposal

Performance and Payment Bonds
Letter of Award

- 2.8 Contractor - designates the company that will perform all work as defined in ARTICLE 1. Scope of Contract, of this Contract and the Special Conditions and Specifications contained in it. Also, will be responsible for the total compliance of any required condition or recommendations established under all approved permits from local and federal regulatory agencies. Contractor shall perform, with his own labor force or organization, work amounting to not less than 25% of the total Contract cost. -----
- 2.9 Construction Manager - shall mean the professional assigned by the Contractor to provide the construction management services on the project. This professional shall be a professional engineer registered in Puerto Rico and an active member of the Puerto Rico College of Engineers and Land Surveyors.-----
- 2.10 Change Order - A written agreement between the parties that sets out changes (in price, time, or scope of work) to the Contract-----
- 2.11 Critical Path Method (CPM) – A scheduling technique used to plan and control a project which combines all relevant information into a single plan defining the sequence and duration of operations, and depict the interrelationship of the work elements to complete the project. The critical path is defined as the longest sequence of activities in a network which establishes the minimum length of the time for accomplishment the last event of the project.-----

- 2.12 Delay - Event that extends (affect) the completion date of the project, by affecting tasks on the critical path. The project schedule shall clearly display that the Contractor has used, in full, all the float time available for the work involve with this request.-----
- 2.13 Disruption - The effect of events upon a non-critical path that, while using additional recourses and extending the duration of that particular activity, or path of activities, does not extend the end date of the project.-----
- 2.14 Engineer - shall mean PREPA's Director of Generation, acting directly or through his properly authorized representatives. -----
- 2.15. Environmental Compliance Officer - PREPA's personnel in charge of project inspections and environmental regulations compliance.-----
- 2.16 Final Acceptance – shall mean the written approval by PREPA that the entire work has been completed and the final cleaning up of the site has been performed and all Punch List items have been rectified.-----
- 2.17 Force Account Work - Extra work in which the Contractor delegates the administration to PREPA and that is paid for on the basis of actual costs for labor, materials, equipment, bonds, insurance, and taxes, plus an established allowance, as provided in this Contract or Special Conditions.-----
- 2.18 Letter of Award (LOA) – Letter signed by the Director of the Generation, Directorate to notify the bidder that the bid is being awarded to him and to require

documents prior to contract signing, such as but not limited to; Corporate Resolution, evidence of payment and certificate of the Puerto Rico State Insurance Fund, municipal license taxes, Construction excise taxes, certificate of insurances and endorsements, documents of the Owner Controlled Insurance Program, payment and performance bonds.-----

- 2.19 Letter of Release – Letter signed by the Contractor's contracting officer and notarized stating that the Contractor has no debt with, but no limited to, subcontractors, consultants, material and services supplier, Federal and State Agencies, Municipality, manufacturer or Insurance Agency.-----
- 2.20 Notice to Proceed – a written order sent to the Contractor by the Contracting Officer, or his designated representative, notifying the Contractor of the date upon which the Contractor is given authority to begin the work.-----
- 2.21 Owner – designates the Puerto Rico Electric Power Authority (PREPA).-----
- 2.22 Punch List - shall mean the list of non-conforming or incomplete work items that are identified by PREPA as been required for the Final Acceptance of the work.--
- 2.23 Final Acceptance of the Work. – shall mean written approval by PREPA that the entire work, has been completed and the final cleaning up of the site has been performed and all Punch List items have been rectified.-----
- 2.24 Resident Engineer - shall mean the manager of the field office responsible for, but not limited to, the administrative issues, quality control, and technical aspects

of the project. This person shall be a professional engineer register in Puerto Rico and an active member of the Puerto Rico College of Engineers and Land Surveyors. The Resident Engineer shall be present at all times on site in order to the Contractor be able to perform any task of the project.-----

2.25 Safety Officer – shall be the person designated by the Contractor whose only duty shall be the prevention of accidents and implement, both, the Safety and Health Program and the Site Specific Work Plan. The Safety Officer shall be present at all times on site in order to the Contractor be able to perform any task of the project. -----

2.26 Special Conditions – are all special requirements, regulations and/or directions covering conditions peculiar to a particular project. -----

2.27 Subcontractor – shall mean any subcontractor, supplier, or vendor of Contractor engaged for the purposes of progressing the work under a subcontract with the Contractor and in which the Contractor has no equity interest or profit sharing affiliation. Any such entity in which the Contractor owns equity or has a profit sharing affiliation shall be considered to be the Contractor. Contractor shall comply with requirements set forth on Article 29 – Subcontractors.-----

2.28 Working Day – shall mean each day Monday thru Friday and hours from 7:00 AM to 11:30 AM and from 12:30 PM to 4:00 PM.-----

ARTICLE 3. Consideration

In accordance with the terms and conditions contained herein, PREPA agrees to pay and the Contractor accepts, as full payment for the complete performance of the Services, the firm price of _____ plus any additional amount to be paid due to extra work ordered and accepted by the Engineer and approved by the Contracting Officer, according to ARTICLE 11. Changes and/or Extra Work, below. The Contractor shall submit its invoices for work already completed according to the payment schedule approved by the Engineer, together with the technical supporting documents of required tests.-----

All invoices shall be subject to the Engineer's approval before being paid and shall include the actualized progress schedule, S-curve graph and all other documents required in the Special Conditions. No invoices shall be accepted for evaluation without the required documents. Its payment shall be done within sixty (60) calendar days after the date of PREPA's approval.-----

All payments made by PREPA for equipment and/or materials delivered and accepted and/or services rendered and work performed under this Contract will be charged to a PREPA operational account _____.-----

Unless otherwise provided in the specifications, partial payment will be made as the work progresses at the end of each month, or as soon thereafter as practicable, on estimates made and approved by the Engineer or the Contracting Officer in accordance

with PREPA's internal regulations. In preparing estimates the material delivered on the site may be taken into consideration; provided that, the Contractor submits evidence as signed receipts or other documentary evidence to prove that the actual costs of the materials or equipment (materials or equipment for now on is referred as materials) for which he is to receive advance payment has been paid in full. If said materials have not been paid for in full, the invoice shall be accompanied by a release from Bond Company and the materials dealer expressing their agreement with the payment for such materials to the Contractor by PREPA, in which it expressly state that no claim shall be done against PREPA for non-payment. Materials shall be properly housed or stored at the job site in a manner which will insure the preservation of their quality and fitness for the work and that the Contractor shall not withdraw said material for any purpose other than incorporation into the work. Storage and protection cost, and the cost of replacing lost or damage materials shall be borne by the Contractor.-----

If at any time after the Contractor has received advance payment for materials on site, the Engineer obtains evidence indicating that said materials, or any part or parts thereof, are defective, or that said materials, or part thereof, do not conform to the specifications, the Engineer will proceed to deduct from any of the succeeding partial payments due to the Contractor for the work actually performed, a sum sufficient to cover the cost of the materials, or parts thereof, found to be defective.-----

All payments made by PREPA for equipment and/or materials delivered and accepted and/or services rendered and work performed under this Contract will be charged to a construction estimate. In making such payments, PREPA shall retain ten percent (10%) of each payment until final completion and acceptance of all work covered by the Contract; provided that, on completion and acceptance of each separate structure, building, tank, canal, road, power conduit, tunnel, public work, or other division of the Contract, on which the price is stated separately in the Contract, payment may be made in full, including retained percentages thereon, less corresponding deductions. -----

No payment of invoices or portions thereof shall at any time constitute approval or acceptance of the work under this Contract, nor be considered to be a waiver by PREPA of any of the terms of this Contract. However, title to all materials and equipment to the extent that payments have been received, whether or not the same have been incorporated in the work, shall vest in PREPA and, in any case, shall not be part of Contractor's property or estate in the event the Contractor is judged a bankrupt or makes a general assignment for the benefit of creditors, or if a receiver is appointed on account of the Contractor's inventory. -----

After Final Acceptance of the work PREPA will pay to Contractor all retained percentages less the corresponding deductions. The Contractor shall submit with the final certification a Letter of Release ("Carta de Relevó"), which shall be notarized and in which the Contractor shall state that there is not debt with any sub-contractor,

manufacturer, employee, government agency, municipality and service or materials provider. Upon completion and Final Acceptance of all work required hereunder, the amount due to the Contractor under this Contract will be paid upon the presentation of a properly executed and duly certified voucher therefore, after the Contractor shall have furnished PREPA with a release, if required, or all claims against PREPA arising under and by virtue of this Contract, other than such claims, if any, as may be specifically excepted by the Contractor from the operation of the release in stated amounts to be set forth therein; provided that, the amount of such excepted claims is not included in the voucher for final payment.-----

The Contractor shall immediately notify PREPA when the billing under the present Contract amounts 75% of the maximum amount under the Contract. In addition, the Contractor shall present an itemized list of the remaining billable works under the Contract. -----

All invoices submitted by the Contractor shall include the following Certification in order to proceed with its payment. This is an essential requirement and those invoices without this Certification, will not be processed for payment. -----

No interest Certification:

We certify under penalty of nullity that no public servant of PREPA will derive or obtain any benefit or profit of any kind from the contractual relationship which is the basis of this invoice. If such benefit or profit exists, the required waiver has

been obtained prior to entering into the Agreement. The only consideration to be received in exchange for the delivery of goods or for the Services provided is the agreed-upon price that has been negotiated with an authorized representative of PREPA. The total amount shown on this invoice is true and correct. The Services have been rendered, and no payment has been received.

Contractor's Signature

ARTICLE 4. Commencement and Completion of Work

4.1 General

The Contractor shall complete all tasks and project scope within sixty (60) calendar days from the date of the Notice to Proceed. However, units shall be installed in the following order:

- First unit shall be installed, tested, and commissioned in the Yabucoa Power Station in forty five (45) calendar days after the issuance of the Notice to Proceed. -----
- Second and third units shall be installed, tested, and commissioned in the Palo Seco Power Plant in sixty (60) calendar days after the Notice to Proceed issuance.-----

Since time is an essential part of this Contract, non-compliance of the timeline established above will result in penalties to the contractor, subject to the provisions stated in Article 10, Changes and/or Extra Work, Article 15, Force Majeure and Article 19, Termination. The Contractor shall receive a written order, stating the date on which the Contractor shall commence to execute the contracted work. Thus, Notice to Proceed date marks the beginning of commencement of work. Mobilization shall be completed within ten (10) days after the Notice to Proceed. Both Parties agree that time is the essence of the Contract.-----

The demand of the obligations of either party under this Contract will be subject to the filing of the Contract at the Office of the Comptroller of the Commonwealth of Puerto Rico, in compliance with Act of October 30, 1975, No. 18, as amended.-----

The Contractor shall, not later than ten (10) working days, after receipt of the Letter of Award (LOA) signed by the Engineer, furnish all documents required therein.-----

4.2 Schedule of Proposed Progress

The Contractor, within ten (10) days after receipt of the Notice to Proceed shall file with the Engineer a schedule of proposed progress of the work and the proposed detailed method of carrying on the work including a full statement of

equipment and equipment layout for the job. This progress chart and statement of operations shall show the dates of commencement and completion of each item of the work. This schedule shall also include the milestones for the submittals and material ordering, the critical path of the project, and the man-hours per item if said progress chart and/or statement of operations are not satisfactory to the Engineer, they shall be revised by the Contractor to provide for the use of adequate and sufficient equipment and force and a method of operations, which will assure the completion of the work within allotted time. This information shall become a part of this Contract after the Engineer has approved it in writing. The schedule shall be actualized monthly by Contractor and submitted to PREPA for approval. All requirements on the attached Special Conditions shall also apply, specifically Article - Scheduling on the Special Conditions. -----

4.3 S-curve Graph

The Contractor within ten (10) days after receipt of the Notice to Proceed Contract shall file with the Engineer the S-curve Graph. The S-curve shall be plotted with the percent of work completed in the Y-axis and the cost in the X-axis. This graph shall be based on the proposed schedule as define on Section 4.2 above. -----

4.4 Payment Schedule

The Contractor within ten (10) days after receipt of the notification of award of the Purchase Order shall file with the Engineer the Schedule of Payment (Breakdown for Payment). The Schedule of Payment shall be balanced throughout the whole project and if said Schedule of Payment is not satisfactory to the Engineer, it shall be revised by the Contractor and resubmitted for its approval.-----

4.5 Contract Quantity Report

The Contractor shall submit weekly and for approval, to the Engineer, the contract quantity report sheet. This sheet will be given to the Contractor at the preconstruction meeting.-----

ARTICLE 5. Suspension of Work

The Contracting Officer or the Engineer may, at any time, suspend the whole or any portion of the work under this Contract, for the period of time that the Contracting Officer or the Engineer determines appropriate to PREPA, but this right to suspend the work shall not be construed as denying the Contractor actual reasonable, and necessary expenses due to delays, caused by such suspension, it being understood that expenses will not be allowed for such suspension when ordered by the Contracting Officer or the Engineer on account of a Force Majeure event, as defined in ARTICLE 15. Force Majeure, herein. The cause of such suspension shall be put in writing by the Contracting Officer, the Engineer or the designate representative within two (2) working days after the suspension or as soon as practicable.-----

ARTICLE 6. Other Work at the Site

PREPA reserves the right to perform other work by force account and/or enter into other contracts in connection with this project. The Contractor shall afford PREPA and other contractor reasonable opportunity for the introduction and storage of their materials and the execution of their work and shall properly connect and coordinate his work with theirs. If any part of the Contractor's work depends for proper execution or results upon the work of PREPA or of any other Contractor, the Contractor shall inspect and promptly report to PREPA any defects in such work or any conflicts between such work and that of the Contractor, PREPA to decide, if necessary, the course to be followed by each party. -----

Wherever work being done by PREPA's own forces or by other contractors is contiguous to work covered by this Contract, the respective rights of the various interests involved shall be established by PREPA to secure the completion of the various portions of the work in general harmony. Whenever, in the opinion of PREPA, the orderly progress of the entire project requires the use by PREPA's own forces or by other Contractors, of construction equipment installed and operated by the Contractor for his own use, PREPA will arrange with the Contractor for such use, at times, and in locations which will not interfere with the work being done under this Contract. -----

ARTICLE 7. Submittals

The Engineer shall be allowed at least ten (10) working days to evaluate and review submittals and mark them as disapproved, approved as corrected or approved. The Contractor is responsible to submit three (3) sets of the submittals. All not approved submittals shall be corrected as required and resubmitted for PREPA's evaluation-----

Before commencement of any work or task required in this Contract, the Contractor shall submit for PREPA's approval, required in Article 48. Safety Provisions, the Occupational Safety and Health Program. -----

ARTICLE 8. Specifications and Drawings

PREPA reserves the right to review and approve all drawings, specifications, methods, and data which the Contractor generates, from its responsibilities, obligations or liabilities under this Contract. The Contractor shall obtain such reviews or approval in writing from PREPA. The Contractor shall keep at the working area a copy of the Contract, its supplementary documents, specifications and drawings, and shall, at all times, give the Engineer access thereto. Anything called for in the specifications and not shown on the drawings, or shown on the drawings and not mentioned in the specifications shall be of like effect as if called for or shown on both. In case of discrepancy in the specifications and drawings, the matter shall be immediately submitted to the Engineer, without whose decision said discrepancy shall not be

adjusted by the Contractor, and the Contractor shall not proceed with the work so affected until it has received written order from the Engineer.-----

ARTICLE 9. Strict Accordance with Technical Requirements

All construction work called for in the Specifications and/or shown on the drawings to be performed by the Contractor shall be performed in strict accordance with the technical requirements of the Specifications. -----

ARTICLE 10. Changes and/or Extra Work

PREPA may, at any time, make changes or order extra work within the Scope of Work contracted, subject to previous written approval of PREPA's Contracting Officer.

Changes made by PREPA may include, but not limited to, changes: -----

1. In the specifications including drawings and design.
2. In the method or manner of performance of the work.
3. In PREPA's furnished facilities, equipment, materials, services, or site; and/or,
4. Acceleration in the performance of the work.

Within ten (10) working days after receipt of PREPA's written order of a change in the work (or such shorter or longer period of time as may be reasonably required and agreed by PREPA and the Contractor), Contractor shall promptly notify PREPA of the cost, schedule and other impact(s) Contractor anticipate as a result of the change. If PREPA agrees with the Contractor's statement as to the impact of the change, the parties shall proceed promptly to enter into a written change order in connection with such change to equitably adjust Contractor's cost (increase or decrease), schedule

(lengthen or shorten), or other obligations under Contract in connection with such change. If PREPA disagrees with the Contractor's statement as to the final impact of the change, PREPA shall promptly advise Contractor in writing of the basis for the disagreement and PREPA and Contractor shall negotiate in good faith to resolve any issues in order to, when applicable, enter into a written change order to equitably adjust Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract in connection with such change. Acceptance of the change order and an adjustment in the Contract price and/or Contract time shall not be unreasonable withheld. Once a written consent has been executed by PREPA's Contracting Officer, Contractor shall proceed with the change. Except as herein provided, and with the time frames stated, no order, statement, or conduct of PREPA shall be treated as a change under this section or entitle the Contractor to an equitable adjustment hereunder.-----

If agreement on the prices for the extra work cannot be reached between PREPA and the Contractor, PREPA may order in writing the Contractor to perform the required work on a force account basis and the Contractor shall then execute the order. Payment for such Force Account Work shall be as specified in Article 22 - Force Account, of the Special Conditions. PREPA may also elect to have such work performed by its own forces or by separate contract. -----

In order to facilitate review of quotations for extras or credits, all proposals submitted by Contractor in connection with a change in the work by PREPA, except those so minor that their propriety can be seen by inspections, shall be accomplished by a complete itemization of the costs including labor, materials, equipments and subcontracts. When subcontractors perform major cost items, they shall also be itemized. -----

ARTICLE 11. Inspection

11.1 Periodic Inspection

All material and workmanship (if not otherwise designated by the specifications) shall be subject to inspection, examination, and test by PREPA's inspectors, at all reasonable times, during manufacture and/or construction. PREPA shall have the right to reject defective material, equipment or workmanship or require its correction. Rejected workmanship shall be satisfactorily corrected and rejected material and equipment furnished by the Contractor shall be satisfactorily replaced with proper material and equipment, without charge to PREPA. The Contractor shall promptly remove rejected material from the premises. The Contractor shall furnish promptly all reasonable facilities, labor, materials, and equipment necessary for the safe and convenient inspection and tests that may be performed in such manners as not to unnecessarily delay the work.-----

11.2 Final Inspection

Whenever all the materials have been furnished and all work has been performed, including final cleaning up as contemplated in ARTICLE 45, Cleaning Up, all in accordance with the drawings and specifications, the Contractor shall notify in writing the Engineer that said work is completed and ready for final inspection. Final inspection shall occur within a ten (10) working days period after the Engineer has received notice from the Contractor of the satisfactory completion of the installation of the equipment. After receipt of notice PREPA will notify Contractor of the exact date and time of the final inspection and Contractor shall accommodate PREPA's specific time. If all installation work provided for and contemplated by the Contract is found completed in accordance with the specifications, this inspection shall constitute the final inspection and the Completion Date shall be established as the date of receipt of the notice of the Contractor that the work was completed and ready for final inspection. If, however, upon inspection by the Engineer it is found that any work, in whole or in part, is unsatisfactory, the Engineer shall give the Contractor the necessary instructions as to replacement of material and performance of work necessary to final completion and acceptance and the Contractor shall immediately comply with and execute such instructions. Upon satisfactory replacement and performance of such work, the Contractor shall notify the Engineer, and another inspection shall be made which will constitute the final inspection if the said material is found to have been acceptably

replaced and the work completed satisfactorily. In such event, the date of receipt of this last notice of the Contractor will be established as the Completion Date of the work or any separable part thereof under the Contract. The Completion Date, thus established, shall be used in calculating the actual time of performance of the work.-----

The determination of whether a project is substantially completed is at the discretion of PREPA.-----

ARTICLE 12. Superintendence by the Contractor

Before commencement of the work, the Contractor shall designate a competent Construction Manager, satisfactory to the Engineer, with the expertise and resources necessary to provide construction management services. The Contractor shall also have a competent Resident Engineer, satisfactory to the Engineer, on the work site, at all times, during progress of the work, with authority to act for him. The Resident Engineer shall only be assigned to this project. The Construction Manager and Resident Engineer shall represent the Contractor on his absence and all directions given to him by the Engineer shall be as binding as if given to the Contractor. The Contractor shall, at all times, enforce strict discipline and good order among his employees and shall not employ on the work any unsuitable or unskilled person in the work assigned to him. In addition, the Contractor shall be fully responsible for the negligent or wrongful acts or omissions of subcontractors or of persons both directly or

indirectly employed by the Contractor, and shall be liable to PREPA and/or any affected third parties for such acts or omissions.-----

ARTICLE 13. Sanitary Facilities

The Contractor shall furnish and maintain satisfactory, sanitary facilities for the use of the workmen engaged in the construction, as required by law or regulations. -----

ARTICLE 14. Access to Work

The Contractor shall permit all persons appointed or authorized by PREPA to visit and inspect the work, or any part thereof at all times, and places during the progress of it.----

ARTICLE 15. Force Majeure

The parties hereto shall be excused from performing hereunder and shall not be liable in damages or otherwise, if and only to the extent that they shall be unable to perform, or are prevented from performing by a Force Majeure event. For purposes of this Contract, Force Majeure means any cause without the fault or negligence, and beyond the reasonable control of, the party claiming the occurrence of a Force Majeure event. Force Majeure may include, but not be limited to, the following: Acts of God, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruptions of services due to the acts or failure to act of any governmental authority, provided that these events, or any other claimed as a Force Majeure event, and/or its effects, are beyond the reasonable control and without the fault or negligence of the

party claiming the Force Majeure, and that such party, within ten (10) days after the occurrence of the alleged Force Majeure, gives the other party written notice describing the particulars of the occurrence and its estimated duration. The burden of proof as to whether a Force Majeure has occurred shall be on the party claiming the Force Majeure. -----

ARTICLE 16. Penalty for Delays

If the Contractor fails to complete the Yabucoa installation work or any separable part thereof, within the time of completion of the work established in the ARTICLE 4, Commencement and Completion of Work, the Contractor shall pay to PREPA a penalty of ten thousand dollars (\$10,000) for each calendar day of delay in completing the work or separable part thereof, up to a maximum of fifteen percent (15%) of the Contract price, and a penalty of twenty thousand dollars (\$20,000) for each calendar day of delay in completing the entire work or separable part thereof, up to a maximum of fifteen percent (15%) of the Contract price, and the Contractor and his sureties shall be joint and several liable for said amount. In the event that Contractor, due to his delay, had pay the total amount of the penalty as above mentioned, and has failed to complete the work or any part separable thereof, it could be considered a breach of contract, and PREPA may terminate the Contract, execute the performance bond and pursue any other remedies under this Contract, law or equity. -----

In case of delay, the Contractor shall within ten (10) days from the beginning of any such delay notify the Engineer in writing of the causes of delay, who shall ascertain the facts and the extent of the delay and extend the time for completing the work when, in his judgment, the findings of facts justify such an extension, and his findings of facts thereon shall be final and conclusive on the parties hereto, subject only to appeal by the Contractor as provided in ARTICLE 33. Disputes, hereof; provided that, no claim shall be made by the Contractor against PREPA, its agents, contractors, subcontractors, employees, successors, assignees, for any cause whatsoever, during the progress of any portion of the work embraced in the Contract. Any damages caused by delays or hindrances exclusively by PREPA shall be considered as fully compensated for by the extensions of time as provided above. -----

If PREPA does not terminate the right of the Contractor to proceed, the Contractor shall continue the work, in which event shall continue to pay to PREPA the penalty in the amount set forth above for each calendar day of delay until the work is completed, and the Contractor and his sureties shall be liable for the amount thereof; provided that, the right of the Contractor to proceed shall not be terminated or the Contractor charged with a penalty because of any delays in the completion of the work due to Force Majeure events or situations, or failures on the part of PREPA to carry out its obligations.-----

PREPA shall have the right to the payment or to the withholding of Contractor's payments in case of Contractor's delay in completion of the work. The Contractor

agrees that the penalty shall not be subject to reduction, moderation or modification, since this penalty is a pecuniary punishment for the delay, and not a liquidation of damages.-----

ARTICLE 17. Liabilities

17.1 Civil Responsibility

The appearing parties agree that their respective responsibilities for damages under this Contract will be governed by the Puerto Rico Civil Code and its case law, as dictated by the Supreme Court of Puerto Rico. -----

17.2 Protection Against the Occurrence of Damages

The Contractor agrees to make, use, provide, and take all proper, reasonably necessary and sufficient precautions, safeguards, and protection against the occurrence or happenings of injuries, death and/or damages to any person or property during the progress of the work.-----

17.3 Save and Hold Harmless

The Contractor agrees to save and hold harmless and to indemnify PREPA for all expenses and costs of any nature (including attorneys' fees) incurred by PREPA arising out of any claim made by any person for personal injuries, including death or for property damage, caused by the Contractor or any of its subcontractors, by act or omission, in the performance or nonperformance of its obligations under the Contract. -----

17.4 Save Harmless for Operation of PREPA's Equipment

The operation of PREPA's equipment by PREPA at its plant site is within the exclusive control of PREPA and PREPA shall indemnify and save harmless the Contractor from loss, expense or liability imposed upon the Contractor for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by PREPA.-----

If the Contractor is allowed to operate PREPA's equipment at the plant site, the Contractor shall indemnify and save harmless PREPA from loss, expense or liability imposed upon PREPA for any injury to a person, including death or damage to any property resulting from the operation of such equipment by the Contractor. -----

ARTICLE 18. Independent Contractor

The Contractor shall be considered as an independent contractor, for all material purposes under this Contract, and all persons engaged or contracted by the Contractor for the performance of its obligations herein, shall be considered as its employees or agents or those of its subcontractors, and not as employees or agents of PREPA. In consequence, the Contractor is not entitled to any fringe benefits, such as, but not limited to vacations, sick leave, and other.-----

ARTICLE 19. Termination

Notwithstanding anything to the contrary in this Contract regarding its term, PREPA may, at any moment, terminate, cancel or accelerate its expiration, after giving Contractor a not less than ten (10) days prior notice, when in PREPA's judgment such action responds to PREPA's best interest. If notice is given, this Contract shall terminate upon the expiration of ten (10) days and PREPA shall be obligated to pay all fees and expenses incurred up to the day of effective termination, in accordance with the terms of this Contract. The rights, duties and responsibilities of the Parties shall continue in full force and effect during the ten (10) day notice period. Contractor shall have no further right to compensation except for what has been accrued for services rendered under this Contract until said date of effective termination. Provided that, in the event the Contractor fails to comply with any of its obligations under the Contract, PREPA may declare an immediate Contract termination, cancellation or rescission, without prior notice to the Contractor. PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duty, noncompliance, or material breach by the Contractor, as determined in the sole discretion of PREPA, or for any other reason described elsewhere in this Contract as a basis for termination. In the event the Contract is terminated by PREPA for cause, PREPA shall be obligated to pay all fees and expenses incurred up to the day of effective termination, in accordance with the terms of this Contract. Contractor shall have no further right to compensation

except for what has been accrued for services rendered under this Contract until said date of effective termination. If the Contract is so terminated, Contractor shall be compensated for Services performed and duly evidenced through the date of termination as calculated pursuant to Contractors Proposal. The exercise of its right to terminate, cancel or rescind the Contract shall not be understood as a waiver by PREPA to any other remedy it may have under this Contract or under the law for delays or breach incurred by the Contractor in the performance of its obligations under the Contract.-----

Following termination, the Contractor shall submit a final termination settlement proposal to PREPA in the form and with the certification prescribed by PREPA. The Contractor shall submit the final termination settlement proposal promptly, but no later than one year from the effective date of termination, unless extended in writing by PREPA upon written request of the Contractor within this one-year period. The Contractor and PREPA may agree upon the whole or any part of the amount to be paid or remaining to be paid because of the termination. However, the agreed amount may not exceed the total Contract price as reduced by (1) the amount of payments previously made and (2) the Contract price of work not terminated.-----

ARTICLE 20. Insurance and Bonds:

The Contractor shall secure and maintain in full force and effect during the life of this Contract as provided herein, policies of insurance covering all operations engaged in by the Contract as follows:

1. Workers Compensation Insurance:

The Contractor shall provide Workmen's Compensation Insurance as required by the Workmen's Compensation Act 45 - 1935, as amended, of the Commonwealth of Puerto Rico. Contractor shall also be responsible for compliance with said Workmen's Compensation Act by all its subcontractors, agents and invitees, if any. -----

The Contractor shall furnish a certificate from the Puerto Rico's State Insurance Fund showing that all personnel employed in the work are covered by the Workmen's Compensation Insurance, in accordance with this contract. -----

B. Employer's Liability Insurance:

The Contractor shall provide Employer's Liability Insurance with minimum bodily injury limits of \$1,000,000 for each employee and \$1,000,000 for each accident, covering against the liability imposed by Law upon the Contractor as a result of bodily injury, by accident or disease, including death arising out of and in the course of employment, and outside of and distinct from any claim under the Workmen's Compensation Act of the Commonwealth of Puerto Rico.-----

C. Commercial General Liability Insurance:

The Contractor shall provide a Commercial General Liability Insurance with limits of \$1,000,000 per occurrence and \$1,000,000 aggregate.-----

D. Commercial Automobile Liability Insurance:

The Contractor shall provide a Commercial Automobile Liability Insurance with limits of \$1,000,000 combined single limit covering all owned, non-owned and hired automobiles.-----

E. Professional Liability Insurance:

The Contractor shall provide a Professional Liability Insurance with limits of \$1,000,000 per claim and \$1,000,000 aggregate.

Requirements Under the Policies:

The Commercial General Liability and Commercial Automobile Liability Insurance required under this Contract shall be endorsed to include:

A. As Additional Insured:

Puerto Rico Electric Power Authority
Risk Management Office
PO Box 364267
San Juan, PR 00936-4267

B. A 30 days cancellation or nonrenewable notice to be sent to the above address.--

C. An endorsement including this Contract under contractual liability coverage and identifying it by number, date and parties to the Contract.-----

D. Waiver of Subrogation in favor of Puerto Rico Electric Power Authority (PREPA).-

E. Breach of Warranties or Conditions:

"The Breach of any of the Warranties or Conditions in this policy by the Insured shall not prejudice PREPA's rights under this policy."

Bonds:

As a Contract security, the Contractor shall furnish at the time of the execution of the Contract:

1. A Performance Bond in the amount of one hundred percent (100%) of the Contract price, with good and sufficient surety satisfactory to PREPA guaranteeing that the contractor will well and faithfully perform the contract work.-----
2. A Payment Bond in the amount of one hundred percent (100%) of the Contract price, with good and sufficient surety satisfactory to PREPA to guarantee the prompt payment of all labor, supervision, equipment and materials required in the performance of the work.-----
3. All bonds shall be issued in the official form of PREPA.-----

Furnishing of Policies:

All required policies of insurance shall be in a form acceptable to PREPA and shall be issued only by insurance companies authorized to do business in Puerto Rico.-----

The Contractor shall furnish a certificate of insurance in original signed by an authorized representative of the insurer in Puerto Rico, describing the coverage afforded.-----

ARTICLE 21. Permits and Licenses

The Contractor shall obtain and maintain all the licenses, permits, and authorizations required to perform all services and tasks under this Contract, and shall send all notices, pay all fees and related costs, and will comply and will have its subcontractors and agents comply with all laws, ordinances, rules, and regulations applicable to the work, in accordance with the drawings and specifications. Should the Contractor find any discrepancy between the drawings and specifications and the permits, laws, ordinances, rules, and regulations referred to herein, the Contractor shall proceed immediately to notify PREPA of the discrepancy and shall not continue with the work until PREPA issues and notifies an order informing the Contractor what changes are necessary and when to proceed with the work as changed.-----

ARTICLE 22. Minimum Wage Rates

The Contractor and all subcontractors shall comply with the requirements prescribed by the federal Davis-Bacon Act (Public Law 107-217- August 21, 2002 as amended, 40 USC §3141 et seq.). As therein required, contractors and subcontractors performing on contracts funded directly by or assisted in whole or in part with American Recovery and Reinvestment Act appropriations in excess of \$2,000 shall pay all laborers and

mechanics not less than the locally prevailing wage rates and fringe benefits, as determined by the Secretary of Labor, for corresponding classes of laborers and mechanics employed on similar projects in the area. -----

ARTICLE 23. Contingent Fees

The Contractor guarantees that he has not employed any person to solicit or secure this Contract upon any agreement for a commission percentage, brokerage or contingent fee. Breach of this guarantee shall give PREPA the right to annul the Contract or, at its discretion to deduct from the Contract price or consideration the amount of such commission, percentage, brokerage or contingent fees. This warranty shall not apply to commissions payable by Contractors upon Contract or sales secured or made through bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.-----

ARTICLE 24. Other Contracts

PREPA may award other contracts for additional work, and the Contractor shall fully cooperate with such other contractors, in accordance with ARTICLE 6. Other Work at the Site, of this Contract, and carefully fit his own work to that provided under other contracts as may be directed by the Contracting Officer. The Contractor shall not commit or permit any acts, which interfere with the performance of work by any other contractor. -----

ARTICLE 25. Officials not to Benefit

No officer, employee neither or agent of PREPA, nor of the Government of the Commonwealth of Puerto Rico or Municipal Governments, shall be admitted to any share or part of this Contract or to any benefit that may arise there from.-----

In addition to the restrictions and limitations established under the provisions of "The Puerto Rico Government Ethics Act" Act No. 1-2012, as amended, retired or former officers or employees of PREPA, whose work was in any way related to the award or management of Contracts, shall in no way benefit from any Contract with PREPA for a period of two (2) years after leaving employment with or ceasing services to PREPA.----

ARTICLE 26. Claims for Labor and Materials

The Contractor shall, at his own expense, assume the defense of and save harmless PREPA from claims for labor and materials and not suffer any mechanics or other liens to remain outstanding against any of the property used in connection with the work; and shall, on request, furnish satisfactory evidence that all persons who have done work or furnished materials have been fully paid. If the Contractor fails to comply with his obligations in this respect, PREPA may take such liens or claims and may withhold from any monies due to the Contractor such amounts as may be necessary to satisfy and discharge any such claims and any cost and expense incidental thereto.-----

ARTICLE 27. Unfair Labor Practice

In the event that the Contractor or any of his subcontractors or agents do not comply with an order issued by the Puerto Rico Labor Relations Board and/or the National Labor Relations Board upon their finding that the Contractor or any of his subcontractors or agents have committed an unfair labor practice, no further payments shall be made by PREPA to the Contractor after the date of the said order. In addition, the Contract may be terminated by PREPA, in which case PREPA may take possession of the materials, tools, and appliances on the job site and finish the work by whatever method it may deem expedient. Any declaration by the Puerto Rico Labor Relations Board and/or by the National Labor Relation Board that the contractors or agents have not complied with an order issued by the Board relating to any unfair labor practice, shall be binding, final, and conclusive unless such order is reversed or set aside by a Court of competent jurisdiction.-----

ARTICLE 28. Assignment

This Contract or any interest therein or any monies due or to become due there under shall not be assigned, mortgaged or otherwise disposed of without the previous consent in writing of the Contracting Officer. -----

ARTICLE 29. Subcontractors

The Contractor shall not assign nor subcontract its rights and obligations under this Contract, except in the event PREPA gives written authorization for such actions.

Provided that no subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) the Contractor delivers PREPA a copy of the subcontract, not less than thirty (30) days prior to the effective date of the proposed subcontract; (2) the subcontract includes, as a condition for its legal validity and enforceability, a provision whereby PREPA has the right to substitute, subrogate or assume Contractors' rights under the subcontract, in the event that PREPA declares the Contractor in breach or default of any of the Contract terms and conditions; and (3) the subcontract includes, as a condition for its validity and enforceability, a provision establishing for the subcontractor the obligation to comply unconditionally and entirely with all Contractors' obligations under the Contract (*mirror image rule*), except for such obligations, terms and conditions which exclusively related with works or services not included under the subcontract.-----

ARTICLE 30. Novation

PREPA and the Contractor expressly agree that no amendment or change order which could be made to this Contract, during its term, shall be understood as a contractual novation, unless both parties agree to the contrary, specifically and in writing. The previous provision shall be equally applicable in such other cases where PREPA gives the Contractor a time extension for the compliance of any of its obligations under the Contract or where PREPA dispenses the claim or demand of any of its credits or rights under the Contract. -----

ARTICLE 31. Patents and Copyrights

The Contractor, at its own expense, shall defend any suit or action brought against PREPA based on a claim that any equipment or part thereof, copyright or uncopyrighted composition, secret process, patented or unpatented invention, article, or appliance manufactured or used in the performance of this Contract, including their use by PREPA, constitutes an infringement of any patents or copyrights of the United States, if notified promptly in writing by PREPA, and given the authority, information, and assistance for the defense of the same, and the Contractor shall pay all damages and costs awarded therein against PREPA. If, in such suit, the equipment or any part thereof, or the composition, secret process, invention, article or appliance is held to constitute infringement and its use is enjoined, the Contractor, at its option and expense, shall either procure for PREPA the right to continue using the same. Also, can replace it with non-fringing equipment, composition, secret process, invention, article or appliance, modify it so it becomes non-infringing or remove it and refund the purchase price.-----

ARTICLE 32. Waivers

No waiver of any breach of this Contract shall be held to be a waiver of any other subsequent breach. All remedies afforded by PREPA in this Contract shall be taken and construed as cumulative, that is, in addition to every other remedy provided herein or by law.-----

ARTICLE 33. Disputes

Except as otherwise specifically provided in this Contract, all disputes concerning questions of fact arising under this Contract shall be decided by the Engineer, subject to written appeal by the Contractor within thirty (30) days to the Executive Director. As soon as practicable thereafter, the Executive Director shall inform each party hereto of his decision regarding the dispute, which decision shall be final and conclusive upon the parties hereto, unless such decision is challenged on the basis of being arbitrary, malicious or capricious. If such challenge is made, either party may pursue its remedy at law or equity. In the meantime, the Contractor shall diligently proceed with the work as directed.-----

ARTICLE 34. Correction of Work After Final Payment

Neither the final certificate for payment nor any provision in the Contract documents shall relieve the Contractor of responsibility for faulty materials or workmanship and, unless otherwise specified, he shall remedy any defects due thereto and pay for any damage to other work resulting therefore, which shall appear within a period of one (1) year after final acceptance. PREPA shall give notice of observed defects with reasonable promptness. All questions arising under this Article shall be decided by the Engineer, subject to appeal by the Contractor, as provided in ARTICLE 33. Disputes, of this Contract. -----

ARTICLE 35. Laws to be Observed

The Contractor shall observe and comply with any and all Federal, State and Municipal Laws, by-laws, ordinances, and regulations in any manner affecting the work, the equipment or the materials used in the proposed rehabilitation and/or installation or construction, and those employed on the work or the conduct of the work, and with all such orders and decrees as exist at present or may be enacted prior to the completion of the work by bodies or courts having any jurisdiction or authority over the work. The Contractor shall save and hold harmless and to indemnify PREPA and its representative's officers, agents, and servants against any claim or liability arising from or based on the violation of any such law, by-law, ordinance, regulation, order or decree, whether by himself or his employees.-----

ARTICLE 36. Change in Law

During the term of this Contract, any change in law, including, but not limited to changes in applicable tax law, which causes an increase in Contractor's costs when supplying the products or services to be acquired by PREPA, shall be of Contractor's responsibility and PREPA shall not be obliged to make additional payments nor to pay additional sums to the price or canon originally agreed for those products or services.----

ARTICLE 37. Choice of Law and Venue

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. Also, the contracting parties expressly agree that only

the state courts of Puerto Rico will be the courts of competent and exclusive jurisdiction to decide over the judicial controversies that the appearing parties may have among them regarding the terms and conditions of this Contract.-----

ARTICLE 38. Separability

If a court of competent jurisdiction declares any of the Contract provisions as null or invalid, such holding will not affect the validity and effectiveness of the remaining provisions of the Contract and the parties agree to comply with their respective obligations under such provisions not included by the judicial declaration. -----

ARTICLE 39. Warranty

The Contractor warrants that all materials, parts, equipment used, and work performed under this Contract comply in all respect with its terms and conditions; that they are free from any and all latent and patent defects in design, materials, and workmanship; that they are suitable and adequate for the purposes for which they were designed and for such other purposes, if any, as are specified in the Contract, and that the services provided under this Contract will conform with the highest standards of care and practice appropriate to their nature. The warranty period will begin the date on which PREPA finally accepts the service and/or installation of the contracted product and will continue for a period of one (1) year. The Contractor will, upon written notice by PREPA, fully remedy, free of expense to PREPA, such defects as may develop on said services, materials, parts or equipment, provided that they have been properly stored,

installed, maintained, and operated within the specified parameters. The Performance Bond shall cover and serve as guarantee for this warranty. -----

For those materials, parts, equipment, which prove defective or deficient during the warranty period, the Contractor shall, at his own expense, repair or replace, transport-in, from Contractor's facilities to PREPA's site, and transport-out, from PREPA's site to Contractor's facilities, such materials, parts, and/or equipment. The Performance Bond shall cover and serve as guarantee for the Contractor's failure, in whole or in part, to properly perform his obligations under this Contract. -----

For parts and equipment to be procured by Contractor from other suppliers, and which will be furnished by Contractor to PREPA under this Contract, a written warranty shall be obtained by the Contractor from each supplier and legally tendered to PREPA prior to the commencement of work. Upon title transfer to PREPA, all equipment warranties and guarantees shall be vested upon PREPA directly from the Original Equipment Manufacturer (OEM). Also, Contractor shall acknowledge and accept that for any service and/or parts that may be required for the mobile generating equipment packages after final acceptance, PREPA, as the owner, reserves its rights and shall be free to procure, negotiate, and enter into agreements directly with the awarded equipment's OEM or with any other service providers.-----

ARTICLE 40. Correlation of Documents

The contract documents are complementary and what is required by one shall be as binding as if required by all. The Contractor shall keep in the work site a copy of the Contract documents relating to the work and any supplementary documents, specifications and drawings relating thereto and shall give PREPA access thereto during all normal working hours.-----

In case of discrepancy or in the event of conflict among the different Contract documents such as: Contract, Special Conditions, Technical Specifications, Drawings, Proposal Forms, and the Contractors Bidding Proposal, these shall take precedence in the order given.-----

The terms and conditions contained in the Contract shall prevail over any conflictive terms and conditions contained in the Contractor's Bidding Proposal.-----

ARTICLE 41. Notice

Any required notice to be given hereunder shall be in writing and will be sufficiently served when delivered in person or properly mailed to the following addresses:

To PREPA: Puerto Rico Electric Power Authority
 PO Box 364267
 San Juan, Puerto Rico 00936-4267

Attention: Eng. José F. Ortiz Vázquez
 Chief Executive Officer

To Contractor: (Name of Company)
 (Mail Address)

Attention: (Name of Person of Contact)
(Title)

ARTICLE 42. Income Tax Withholding

PREPA will deduct and withhold at source to the Contractor the equivalent of seven percent (7%) from payment for services rendered under this Contract, in compliance with the Internal Revenue Code for a New Puerto Rico, Act No. 1-2011, as amended, section 1062.03. Notwithstanding, the withholding to be done by PREPA as herein stated could be increased to twenty percent (20%) in the event that the Contractor is a non-resident individual, which is a U.S. citizen, as provided by Act No. 1-2011, section 1062.08; or twenty-nine percent (29%) in the event that the Contractor is a non-resident and non U.S. citizen individual; or a foreign corporation or partnership which is not dedicated to industry or business in Puerto Rico, as provided by Act No. 1-2011, section 1062.08.-----

If a Release Letter has been issued to the Contractor by the Treasury Department, the Contractor shall be responsible to submit a copy of said Release Letter to PREPA for every calendar year, otherwise, payments under the Contract shall remain subject to withholding at source. All invoices shall be segregated by concepts (services, materials, equipment, etc.), to identify the amounts subject to withholding and avoid undue deductions.-----

ARTICLE 43. Discrimination

The Contractor certifies that he is an employer with equal opportunity employment, and does not discriminate by race reason, color, religion, political ideas, sex, nationality, age or mental or physical condition.-----

ARTICLE 44. Other Taxes

All unemployment, retirement, and other Social Security contributions and taxes; all sales, use and excise, privilege, business and occupational taxes, and any other taxes or fees payable by the Contractor are and shall be included as part of his prices.-----

ARTICLE 45. Cleaning Up

The Contractor shall, from time to time, as directed by the Engineer, remove from PREPA's property and from all public and private property all temporary structures no longer required, rubbish, and waste materials resulting from his operations.-----

Upon completion of the work, the Contractor shall remove from the vicinity of the work all remaining rubbish, unused materials, and other like material, belonging to him or used under his direction during the installation of the equipment, and in the event of his failure to do so the same may be removed by PREPA at the Contract's expense, and his surety or sureties shall be liable therefore. -----

ARTICLE 46. Use of Completed Portions

PREPA shall have the right to take possession of and use any completed or partially completed portions of the work, notwithstanding the fact that the time for completion of

the entire work may not have expired, but such taking possession and use shall not be deemed an acceptance of the work so taken or used or any part thereof. PREPA may require the Contractor to expedite the completion of any part of the work for provisional use by PREPA and the Contractor shall comply with such request. If such order of completion or prior use increases the cost of the work or delays the work, the Contractor shall be entitled to such extra compensation or extension of time as agreed by the Parties.-----

ARTICLE 47. Quality Assurance

The Contractor shall submit for evaluation and approval by PREPA a quality control program and establish a quality assurance program, also evaluated and approved by PREPA, to satisfy all applicable regulation and requirements specified in the procurement documents and satisfactory to PREPA. The program shall contain all those measures necessary to assure that all basic technical requisites ask for in the drawings, codes, tests, and inspections for design, fabrication, cleaning, installation, packing, handling, shipping, long term storage, when necessary, and test equipment are fulfilled. PREPA reserves the right to conduct audits and inspections to the facilities, activities, and/or documents when estimated and without previous notification necessary in order to assure that the quality control program is adequate and is being properly implemented. The Contractor shall allow PREPA access to its facilities and documents, so that PREPA, through audits and inspections can verify the quality of the

labor, equipment, products, services, and any other related items provided by the Contractor.--In every case in which the materials or services to be furnished to PREPA are subcontracted partially or totally by the Contractor, the Contractor shall request the subcontractor to accept and comply with all the requirements of this Quality Assurance Article. -----

ARTICLE 48. Safety Provisions

1. The Contractor shall comply with all applicable laws, ordinances, rules, regulations and OSHA standards for the safety of personnel, equipment, property and to protect them from damage, injury or loss. He shall erect and maintain, as required by existing conditions and progress of the work, all reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent utilities. Compliance with all safety provisions by subcontractors shall be the responsibility of the Contractor.-----
2. The Contractor shall submit a **Site Specific Work Plan** including: the scope of work, description of the activities to be done, special safety and health considerations to be addressed before commencement of the project, safety procedures to be applied and used during the project including but not limited to excavations, work zone protection, scaffolding, crane operations and emergency procedures for fire and chemical spill among others.-----

3. Before commencement of work, the Contractor shall take part in a coordination meeting with PREPA's Safety Officer and Project Manager. During this meeting the areas to be worked on will be toured, the site-specific work plan will be reviewed and the protocols for Safety inspections and work permit system shall be discussed.
4. The Contractor shall designate an employee as their safety officer for the project. The duties of the safety officer could be in addition to his/her normal duties. The safety officer shall be in charge of the prevention of accidents and the implementation of the Site-specific Plan in coordination with PREPA's Safety Officer, Project Manager and Resident Engineer. The contractor safety officer shall have a basic training of 30 hours in Occupational Safety and Health Standards for Construction Industry from an approved OSHA Training Center. Evidence of the training shall be submitted if requested by PREPA.-----
5. Welding operations shall comply with the requirements of OSHA, ANSI and NFPA. --
6. All chemical products to be used shall be classified as Approved or Conditionally Approved by PREPA's Hazard Communication Section.-----
7. The Contractor shall be responsible for maintaining good housekeeping and sanitary conditions in the work, rest, lunch and toilet areas. If the project involves the handling of non-asbestos insulation or other dust generating materials, like gypsum board, steps shall be taken to prevent the release of dust to adjacent areas.-----

8. Contractor shall have an incident investigation procedure and shall notify to PREPA in writing any incident or accident on PREPA's facility.-----
9. Contractor shall have available and up to date all licenses, trainings, medical surveillance and related certificates for specialized personnel required by OSHA, EQB and DOT according to the scope of work to be performed.-----
10. Each Contractor/Subcontractor shall adhere to a 100% drug /alcohol free work zone. At minimum, pre-project and post-accident testing is required. A positive post-accident test or positive pre-project test will result in worker dismissal from the project. Testing will be performed following closely the NIDA standards.-----
11. Services including activities inside buildings occupied by working personnel, that could create a hazard to their safety or health, will be offered after PREPA'S working hours. The exception will be if the contractor could take all the necessary precautions to protect PREPA's employees and the public from any possible hazard caused by the work. The Contractor will take all steps necessary to assure the area will be free of nuisance odors or vapors before PREPA's personnel is to reoccupy. All these will be done in coordination with the local supervisor of PREPA.-----
12. The Contractor shall assure that all wastes generated by Contractor as a part of the Work are removed and properly disposed of, in accordance with all applicable laws and regulations, at the end of every work shift and after the completion of the project.-----

13. Contractor will obtain and maintain, during the duration of the project, the proper permits from all federal, state and local regulatory authorities with respect to discharge, disposal, use, storage, handling and transportation of hazardous chemicals and substances. For projects including the handling of asbestos, lead, or spilled hazardous substances, the notification to EPA or the EQB will be done by the Contractor, but in coordination with the Safety Officer and the Environmental Advisor.-----
14. Contractor will defend, indemnify and hold harmless, Puerto Rico Electric Power Authority, its employees, agents or assignees for any and all direct liabilities and expenses arising out of Contractor noncompliance with these clauses, if applicable to Contractor and Contractor's Work, irrespective of any other terms of this agreement.-----
15. Puerto Rico Electric Power Authority may unilaterally terminate this contract upon Contractor's failure to reasonably comply with the applicable safety provisions on this Contract upon thirty (30) days of a written notice to Contractor.-----

ARTICLE 49. Environmental Liabilities

The contractor shall be responsible to obtain the construction and operation permits from the regulatory agencies in compliance with the Clean Air Act.-----

The contractor shall be responsible to comply with the oil fuel transfer regulations established by the United States Coast Guard and the 40 CFR Part 112.7 regarding

Spill Prevention, Control and Countermeasure established by the United States Environmental Protection Agency.-----

The contractor shall be responsible to comply with the wastes handling and disposal as established by the Resource Conservation and Recovery Act (RCRA).-----

The contractor shall comply with best management practices established in PREPA's Pollution Prevention Plans to avoid the contamination of wastewater discharges regulated by the Clean Water Act.-----

The Contractor agrees to indemnify PREPA from all expenses and costs of any nature arising out of any claim due to an environmental violation, caused by his agents, employees, subcontractors or any personal assigned during the performance or non-performance of its obligations under this Contract.-----

The Contractor shall have available, and near to the working area, the necessary equipment to control and recover any spills that may occur during the performance of the work required by the Contract. This equipment should include all the necessary materials for waste disposal.-----

All equipment to be used in the work area should be free of oil, transmission fluid or hydraulic fluid leakages. If the equipment develops a leakage during the work process, it should be repaired or replaced immediately. While the leaking equipment is removed or repaired, it is the contractor's responsibility to use and replace the absorbent materials and drip pans.-----

The Contractor shall inform and coordinate with the Environmental Compliance Officer of PREPA's Environmental Protection and Quality Assurance Division (EPQAD) of any work to be done to avoid any environmental violation. In case of any incident, the contractor shall, immediately, notify PREPA's on site Supervisor, who will notify the EPQAD.-----

Before starting the work, the Contractor shall submit the work plan to PREPA's EPQAD for evaluation.-----

All chemical analysis shall be performed by a PREPA's approved laboratory that is included in PREPA's Material Management Division Supplier Registry as a company that is qualified and evaluated to perform this type of work.-----

PREPA's personnel will audit the sampling and the disposal of waste material.-----

The disposal of non-hazardous and hazardous waste material shall be done in a Puerto Rico Environmental Quality Board (PREQB) approved landfill.-----

The Contractor shall comply with 49 CFR 72 Sub. Part H (DOT requirements).-----

All remedial actions and environmental work will be performed by a company previously approved by PREPA.-----

All work shall follow the Control Erosion and Sedimentation Plan (CES Plan). The temporary measures needed to control erosion and water pollution shall include, but not be limited to, berms, dikes, dams, sediment basins, fiber mats, netting, gravel, mulches, grasses, slope drains, and other erosion control devices or methods. These temporary

measures shall be installed at the locations where there is a need to control erosion and water pollution during the construction of the project, and as directed by the engineer, and as shown on the drawings. The CES Plan presented in the drawings serves as a minimum for the requirements of erosion control during construction. The contractor has the ultimate responsibility for providing adequate erosion control and water quality throughout the duration of the project. Therefore, if the provided plan is not working sufficiently to protect the project areas, then the contractor shall provide additional measures as required to obtain the required protection.-----

Chemical products cannot reach any internal or external sewer at the construction site in order to prevent contamination and comply with all federal and local regulations related with the Clean Water Act. -----

The Contractor must obtain and submit to PREPA's EPQAD any other type of permit required for their operation but no limited, such as: fuel or wastewater storage tanks, storage of remain material of excavations or any landfill required for the project, use and storage of chemicals. Furthermore, will take immediate response or mitigate any environmental concern and deficiencies found by PREPA personnel or regulatory agencies. The contractor will be responsible to notify immediately to PREPA for any findings or environmental violations due to inspections by regulatory agencies.-----

The Contractor must provide and maintain environmental protection measures during the commencement, construction and completion of the project, as defined under this

contract. Environmental protection measures must be provided by the contractor to correct conditions that may emerge or develop during the construction, as well as, the recondition of all environmental measures or controls employed at the project which does not fulfill their purpose.-----

The construction process should be performed in such a manner that any adverse environmental impacts, where applicable, are reduced to a minimum and acceptable level in the fulfillment to PREPA's Environmental Compliance Officers. -----

It is intended that the natural resources within the project boundaries and outside the limits of the permanent work performed, be preserved in their existing condition or be restored to an equivalent or improved condition, upon completion of the work. The Contractor shall confine his construction activities to areas defined by the work schedule, plans and specifications.-----

The Contractor along with the engineer will establish, at least on a monthly basis, an orientation program for the residents and business people to clarify details and working schedule of the project, also to attend their needs or complaints.-----

All equipment to be used in the work area should be in perfect condition and have a good maintenance program. A monthly record of maintenance should be filed by the contractors and submitted to PREPA's EPQAD. If required, the contractor must perform and submit a monitoring study of gas emission or noise reduction on determined areas

to comply with regulations. Also, will be responsible to maintain their operation center and project area clean and organized.-----

The use of liners to cover up carrying trucks is compulsory.-----

The Contractor shall dispose of all waste generated in the project. The waste shall be picked up and placed in containers which area must be emptied on a regular schedule.

The construction areas shall be clean and must appear natural upon completion. The use of PREPA's waste disposal equipment by the Contractor is not permitted.-----

All areas must be clean and organized to prevent accidents or violations to regulations.-

Safety barriers must be installed at the edges of the project to avoid access from non-authorized individuals at the project site. -----

ARTICLE 50. Transfer of Funds

If Contractor decides to assign or transfer an amount, due or payable, to which he is entitled for services rendered or goods provided during the term of this Contract, Contractor shall notify PREPA of such transfer of funds, in accordance to the provisions of Act 21-2012. Said notice shall clearly indicate the rights granted, including a copy of the contract under which the assignment or transfer of funds is made, the exact amount of funds to be assigned or transferred, and specific identification information regarding the assignee (full name of the person or company), address and any other contact information.-----

Contractor acknowledges and agrees that PREPA may deduct any amount, due or payable under this Contract, that Contractor owes; PREPA may retain any said amount if Contractor fails to fulfill its obligations and responsibilities under this Contract, or a claim arises for warranty or defects regarding the services rendered or goods provided under this Contract. Contractor also acknowledges and agrees that PREPA's payment obligation under any assignment of funds will cease upon payment of the outstanding amounts under this Contract. PREPA shall not be required to make payments or transfer any funds for an amount that exceeds the payment to which Contractor is entitled to under this Contract.-----

ARTICLE 51. Mandatory Clauses Pursuant Act 3-2017 and Circular Letter 141-17
dated January 30, 2017

- (1) Both parties acknowledge and agree that the contracted services herein may be provided to another entity of the Executive Branch which enters into an interagency agreement with PREPA or by direct disposition of the Office of the Chief of Staff. These services will be performed under the same terms and conditions in terms of hours of work and compensation set forth in this Agreement. For the purpose of this clause, the term "entity of the Executive Branch" includes all agencies of the Government of Puerto Rico, as well as all public instrumentalities and public corporations.-----

- (2) The Office of the Chief of Staff shall have the power to terminate this Agreement at any time.-----

ARTICLE 52. Compliance with the Commonwealth of Puerto Rico Contracting Requirements

The Contractor will comply will all applicable State Law, Regulations or Executive Orders that regulate the contracting process and requirements of the Commonwealth of Puerto Rico.

- A. Executive Order Num. OE-1991-24 of June 18, 1991 to require certification of compliance with the Internal Revenue Services of the Commonwealth of Puerto Rico: Pursuant to Executive Order Number OE-1991-24 of June 18, 1991, the Contractor will certify and guarantee that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years. The Contractor, further will certify that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. The Contractor shall provide, to the satisfaction of PREPA, and whenever requested by PREPA during the term of this Contract, the necessary documentation to support its compliance with this clause. The Contractor will be given a specific amount of time to produce said documents. During the term of this Contract, the Contractor agrees to pay and/or to remain current with any repayment plan agreed to by the Contractor with the Government of Puerto Rico. Executive Order 1991OE24. -----

B. Executive Order Num. OE-1992-52 of August 28, 1992 to require certification of compliance with the Department of Labor of the Commonwealth of Puerto Rico. Pursuant to Executive Order Number 1992-52, dated August 28, 1992 amending OE-1991-24, the Contractor will certify and warrant that it has made all payments required for unemployment benefits, workmen's compensation and social security for chauffeurs, whichever is applicable, or that in lieu thereof, has subscribed a payment plan in connection with any such unpaid items and is in full compliance with the terms thereof. The Contractor accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every Contractor and Sub Contractor whose service the Contractor has secured in connection with the services to be rendered under this Contract and shall forward evidence to PREPA as to its compliance with this requirement. Executive Order 1992OE52. -----

C. Social Security and Income Tax Retentions: In compliance with Executive Order 1991 OE- 24; and C.F.R. Part 404 et. Seq., the Contractor will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Contract. Executive Order 1991OE24; C.F.R. Part 404 et. Seq. -----

D. Government of Puerto Rico Municipal Tax Collection Center: The Contractor will certify and guarantee that it does not have any current debt with regards to property

taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (known in Spanish as Centro de Recaudación de Ingresos Municipales ("CRIM")). The Contractor further will certify to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico. The Contractor shall provide, to the satisfaction of PREPA and whenever requested by PREPA during the term of this Contract, Certification issued by the Municipal Revenues Collection Center (MRCC), assuring that Contractor does not owe any tax accruing to such governmental agency. To request such Certification, Contractor will use the form issued by the MRCC (called "CRIM-Certificados, Radicación, Estado de Cuenta y Todos los Conceptos" in the website). The Contractor will deliver upon request any documentation requested by PREPA. During the Term of this Contract, the Contractor agrees to pay and/or to remain current with any repayment plan agreed to by the Contractor with the Government of Puerto Rico with regards to its property taxes. 3 L.P.R.A. § 8611 et seq.; 21 L.P.R.A. § 5001 et seq. The Contractor shall provide a Personal Property Tax Filing Certification, issued by the MRCC which indicates that Contractor has filed its Personal Property Tax Return for the last five (5) contributory terms and all concepts Debt Certification issued by the MRCC assuring that Contractor does not owe any taxes to such government agency with respect to real and personal property or Negative Debt certification issued by the MRCC with respect to real and property

- taxes and a sworn statement executed by Contractor indicating that (i) its revenues are derived from the rendering of professional services, (ii) during the last five (5) years (or the time in which it has been providing professional services) it has had no taxable business or personal property on the 1st of January of each year, (iii) that for such reasons it has not been required to file personal property tax returns, as required under Article 6.03 of Act 83-1991, as amended and (iv) that for such reason it does not have an electronic tax file in the MRCC's electronic system. -----
- E. The Contractor shall furnish a Certification issued by the Treasury Department of Puerto Rico which indicates that Contractor does not owe Puerto Rico Sales and Use taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan and is in full compliance with its terms.-----
- F. The Contractor shall provide a Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Contractor has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.
- G. Puerto Rico Child Support Administration (ASUME): The Contractor shall present, to the satisfaction of PREPA, the necessary documentation certifying that the Contractor nor any of its owners, affiliates or subsidiaries, if applicable, have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with the Puerto Rico Child Support Administration (known in Spanish as the Administración Para El Sustento de Menores (ASUME)). The

Contractor will be given a specific amount of time to deliver said documents. 3
L.P.R.A. § 8611 et seq.-----

- H. Compliance with Act No. 1 of Governmental Ethics: The Contractor will certify compliance with Act No. 1 of January 3, 2012, as amended, known as the Ethics Act of the Government of Puerto Rico, which stipulates that no employee or executive of PREPA nor any member of his/he immediate family (spouse, dependent children or other members of his/her household or any individual whose financial affairs are under the control of the employee) shall have any direct or indirect pecuniary interest in the services to be rendered under this Contract, except as may be expressly authorized by the Governor of Puerto Rico in consultation with the Secretary of Treasury and the Secretary of Justice of the Government. 3 L.P.R.A. § 8611 et seq.-
- I. Law Num. 127, May 31, 2004: Contract Registration in the Comptroller's Office of Puerto Rico Act: Payment for services object of this Contract will not be made until this Contract is properly registered in the Office of the Comptroller of the Government of Puerto Rico pursuant to Law Number 18 of October 30, 1975, as amended.-----
- J. Prohibition with respect to execution by public officers: (3 L.P.R.A. 8615)-----
No public officer or employee authorized to contract on behalf of the executive agency for which he/she works may execute a contract between the agency for which he/she works and an entity or business in which he/she or any member of

his/her family unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office.-----

K. Prohibition with respect to contracting with officers or employees: (3 L.P.R.A. 8615)

No executive agency may execute a contract in which any of its officers or employees or any member of their family units has or has had direct or indirect economic interest during the last four (4) years prior to their holding office, unless the Governor gives authorization thereto with the previous recommendation of the Secretary of the Treasury and the Secretary of Justice.-----

L. Prohibition with respect to contracts with officers and employees of other Government entities: (3 L.P.R.A. 8615)-----

No public officer or employee may be a party to or have any interest in any profits or benefits produced by a contract with any other executive agency or government dependency unless the Governor gives express authorization thereto with previous recommendation from the Secretary of the Treasury and the Secretary of Justice.----

M. Prohibition with respect to evaluation and approval by public officers: (3 L.P.R.A. 8615)-----

No public officer or employee who has the power to approve or authorize contracts shall evaluate, consider, approve or authorize any contract between an executive agency and an entity or business in which he/she or any member of his/her family

unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office.-----

N. Prohibition with respect to execution by public officers contracts with former public officers: (3 L.P.R.A. 8615)-----

No executive agency shall execute contracts with or for the benefit of persons who have been public officers or employees of said executive agency until after two (2) years have elapsed from the time said person has ceased working as such.-----

O. Anti-Corruption Code for a New Puerto Rico. Contractor agrees to comply with the provisions of Act No. 2-2018, as the same may be amended from time to time, which establishes the Anti-Corruption Code for a New Puerto Rico.-----

The Contractor hereby certifies that it does not represent particular interests in cases or matters that imply a conflicts of interest, or of public policy, between the executive agency and the particular interests it represents. -----

Contractor shall furnish a sworn statement to the effect that neither Contractor nor any president, vice president, executive director or any member of a board of officials or board of directors, or any person performing equivalent functions for Contractor has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico or any of the crimes included in Act 2-2018. -----

Contractor hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico. -----

PREPA shall have the right to terminate the agreement in the event Contractor is convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico. -----

- P. Certification of Government Agreements: The Contractor hereby certifies that, at the time of execution of this Agreement, it does not have any other agreement with any agency, public corporation, municipality, or instrumentality of the Government of Puerto Rico. -----
- Q. Rules of Professional Ethics: The Contractor acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.-----
- R. A copy of Contractor's Merchant's Registration Certificate issued by the Treasury Department of Puerto Rico. -----
- S. Department of State (Organization Documents) Certificate of Incorporation, or Certificate of Organization or Certificate of Authorization To Do Business In Puerto Rico issued by the Puerto Rico Department of State. -----
- T. Good Standing Certificate issued by the Puerto Rico Department of State. -----
- U. The Contractor hereby certifies that if there is any Judicial or Administrative Order demanding payment or any economic support under Act. No. 168-2000, as amended, the same is current and in all aspects in compliance. -----
- V. If applicable, PREPA shall withhold the special contribution of one point five percent (1.5%) of the gross amounts paid under this Agreement. -----
- W. Articles extracted, produced, assembled, packaged or distributed in Puerto Rico by enterprises with operations in Puerto Rico, or distributed by agents established in

Puerto Rico shall be used when the service is rendered, provided that they are available.-----

X. Dispensation: Any and all necessary dispensations have been obtained from any government entity and that said dispensations shall become part of the contracting record.-----

Y. Rules of Professional Ethics: The Contractor acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.-----

Z. Consequences of Non-Compliance: The Contractor expressly agrees that the conditions outlined throughout this Section are essential requirements of this Contract. Consequently, should any one of these representations, warranties or certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for the PREPA to render this Contract null and void, and the Contractor shall reimburse the PREPA all moneys received under this Contract. -----

ARTICLE. 53. Compliance with Applicable Federal Law, Regulations And Executive Orders.

A. Compliance with the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 3701-3708) as supplemented by Department of Labor regulations (29 CFR part 5).

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or

mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.-----

- (2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$26 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.-----

- (3) Withholding for unpaid wages and liquidated damages. The Government of Puerto Rico shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from

any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.-----

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.-----

B. Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended). Contractor certifies that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with

obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient (the Puerto Rico Emergency Management Agency).-----

C. Breach of Contract Terms. Any violation or breach of terms of this Contract on the part of the Contractor or a subcontractor may result in the suspension or termination of this Contract or such other action, including the recovery of damages, as may be necessary to enforce the rights of PREPA. The duties and obligations imposed by this Contract and the rights and remedies available hereunder shall be in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.-----

D. Clean Air Act and the Federal Water Pollution Control Act. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq., and the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. The Contractor agrees to report each violation to PREPA and understands and agrees that PREPA will, in turn, report each violation as required to assure notification to the Government of Puerto Rico, Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance.-----

E. Sufficiency of Funds. The Contractor recognizes and agrees that funding for this Contract is contingent upon the availability of Federal assistance awarded by federal agencies to the Government of Puerto Rico. A failure of PREPA to make any payment under this Contract due to unavailability of Federal and/or Government of Puerto Rico funding shall not constitute a breach of the Contract by PREPA or default thereunder and PREPA and the Government of Puerto Rico shall not be held financially liable therefore. If during the term of this Contract, Federal or local funding is reduced, deobligated, or withdrawn, PREPA may reduce the scope of or terminate the Contract. PREPA shall provide the Contractor with written notice of the lack of funding within a reasonable time and PREPA reserves all rights to reduce the scope of or terminate the Contract as a result of lack of funding.-----

F. FEMA Disaster Assistance Survivor/Registrant Data.

- (a) If the Contractor has access to Disaster Assistance Survivor/Registrant data or any other personally identifiable information, the Contractor shall comply with the provisions of the Terms and Conditions for Sharing FEMA Disaster Assistance Survivor/Registrant Data with State Governments set forth in the FEMA-Government of Puerto Rico Contract for FEMA-4339-DR-PR.-----
- (b) The Contractor shall indemnify, defend, and hold harmless PREPA and the Government of Puerto Rico for any and all costs associated with the

defense of that litigation, including costs and attorneys' fees, settlements, or adverse judgments arising from the Contractor's failure to comply with the requirements under this contract.-----

G. Costs. All costs incurred by the Contractor in performance of this Contract must be in accord with the cost principles of 2 C.F.R. pt. 200, Subpart PREPA shall not be required to make payments to the Contractor for costs which are found to be contrary to the cost principles 2 C.F.R. pt. 200, Subpart E.-----

H. Financial Management System. The Contractor's financial management system shall provide for the following:

- (1) accurate, current and complete disclosure of the financial results of this Contract and any other contract, grant, program or other activity administered by the Contractor; -----
- (2) records adequately identifying the source and application of all Contractor funds and all funds administered by the Contractor which shall contain information pertaining to all contract and grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income, and shall be segregated by contract or on a contract-by-contract basis;-----

- (3) effective internal control structure over all funds, property and other assets, sufficient to allow the Contractor to adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes;-----
 - (4) comparison of actual outlays with budgeted amounts for this Contract and for any other contract, grant, program or other activity administered by the Contractor;-----
 - (5) accounting records supported by source documentation;-----
 - (6) procedures to minimize elapsed time between any advance payment issued and the disbursement of such advance funds by the Contractor; and -----
 - (7) procedures consistent with the provisions of any applicable policies of the Federal Government and the Government of Puerto Rico and procedures for determining the reasonableness, allowability and allocability of costs under this Contract.-----
- I. Penalties, Fines, and Disallowed Costs. In the event that any U.S. Federal agency or the Government of Puerto Rico disallows or demands repayment for costs incurred in the performance of this Contract, or if any penalty is imposed due to an act or

omission by the Contractor, the Contractor shall be solely responsible for such penalty, disallowed costs, or repayment demand, and shall reimburse PREPA in full within ten (10) days of receiving notice from PREPA of such penalty, disallowance, or repayment demand. Any monies paid by the Contractor pursuant to this provision shall not relieve the Contractor of liability to PREPA for damages sustained by PREPA by virtue of any other provision of this Contract.---

J. Debarment, Suspension, and Ineligibility.

- (1) The Contractor represents and warrants that the Contractor, its principals, and affiliates have not been debarred, suspended, or placed in ineligibility status under the provisions of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000 (government debarment and suspension regulations). The Contractor represents and warrants that it will not enter into any contracts or subcontracts with any individual or entity which has been debarred, suspended or deemed ineligible under those provisions. During the term of this Contract, the Contractor will periodically review SAM.gov and local notices to verify the continued accuracy of this representation. The Contractor shall require all subcontractors at every tier to comply with this requirement.-----

- (2) This certification is a material representation of fact relied upon by PREPA. If it is later determined that the Contractor did not comply with 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000, in addition to remedies available to the Government of Puerto Rico and PREPA, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.-----

K. Reporting Requirements. The Contractor shall complete and submit all reports, in such form and according to such schedule, as may be required by PREPA.-----

L. Review of laws. The Contractor certifies that it will access online and read each law that is cited in the aforementioned clauses and that, in the event it cannot access the online version, it will notify PREPA in order to obtain printed copies of the laws. Not requiring a printed copy of the laws to PREPA will be evidence that the Contractor was able to find it online and read it as required.-----

M. Notice of Federal Emergency Management Agency (FEMA) Reporting Requirements and Regulations:

- (1) PREPA is using Federal grant funding awarded or administered by FEMA to the Government of Puerto Rico and/or PREPA to pay, in full, for the costs incurred under this Contract. As a condition of FEMA funding under major disaster declaration FEMA-4339-DR-PR, FEMA requires the

Government of Puerto Rico and PREPA to provide various financial and performance reporting. The Contractor agrees to provide all information, documentation, and reports necessary to satisfy these reporting requirements. Failure by the Contractor to provide information necessary to satisfy these reporting requirements may result in loss of Federal funding for this Contract, and such failure shall be a material breach of this Contract.-----

(2) Applicable Regulations and Policy. Applicable regulations, FEMA policy, and other sources setting forth these reporting requirements include, but are not limited to:

- (i) 2 C.F.R. § 327 (Financial Reporting);-----
- (ii) 2 C.F.R. § 200.328 (Monitoring and Reporting Program Performance);-----
- (iii) Performance and financial reporting requirements set forth in 2 C.F.R. Part 206.-----

N. Access to Records.

The Contractor agrees to provide PREPA, the Government of Puerto Rico, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this Contract for the purposes of making audits, examinations, excerpts, and transcriptions.-----

The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.-----

The Contractor agrees to provide the FEMA Administrator or his authorized representatives access to work sites pertaining to the work being completed under the Contract.-----

O. Retention requirements for records.

The Contractor agrees to maintain all books, records, accounts and reports and all other records produced or collected in connection with this Contract for a period of not less than three (3) years after the date of final payment and closed-out of all pending matters related to this Contract. If any litigation, claim, or audit is reasonably anticipated to arise or is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.-----

Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a sub-recipient. Federal awarding agencies and pass-through entities must not impose any other record

retention requirements upon non-Federal entities. The only exceptions are the following:

- 1) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.---
- 2) When PREPA is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.-----
- 3) Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition.-----
- 4) When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3- year retention requirement is not applicable to the non-Federal entity.-----
- 5) Records for program income transactions after the period of performance. In some cases recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.-----

- 6) Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: in- direct cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).-----
- 7) *If submitted for negotiation.* If the proposal, plan, or other computation is required to be submitted to the Federal government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.-----
- 8) *If not submitted for negotiation.* If the proposal, plan, or other computation is not required to be submitted to the Federal government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.-----

P. Program Fraud and False or Fraudulent Statements or Related Acts. The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for

False Claims and Statements) applies to the Contractor's actions pertaining to this Contract.-----

Q. Procurement of Recovered Materials. In the performance of this Contract, the Contractor shall make maximum use of products containing recovered materials that are Environmental Protection Agency ("EPA")- designated items unless the product cannot be acquired—(i) competitively within a timeframe providing for compliance with the Contract performance schedule; (ii) meeting Contract performance requirements; or (iii) at a reasonable price. Information about this requirement, along with the list of EPA-designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.-----

Solid Waste Disposal Act. The Contractor must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency(EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and re- source recovery; and establishing an affirmative

procurement program for procurement of recovered materials identified in the EPA guidelines.-----

- R. Energy Efficiency. The Contractor agrees to comply with the requirements of 42 U.S.C. § 6201, which contain policies relating to energy efficiency that are defined in the Government of Puerto Rico's energy conservation plan issued in compliance with said statute.-----

- S. Equal Opportunity.

During the performance of this Contract, the Contractor agrees as follows:

- a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided

by the contracting officer setting forth the provisions of this nondiscrimination clause.-----

- b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.-----
- c) The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Contractor's legal duty to furnish information.-----

- d) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining Contract or other contract or understanding (if any) a notice advising the labor union or workers' representative of the Contractor's commitments under section 202 of the US Executive Order 11246 of September 24, 1965, as amended, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.-----
- e) The Contractor will comply with all provisions of Executive Order 11246, and of the rules, regulations, and relevant orders of the Secretary of Labor.-----
- f) The Contractor will furnish all information and reports required by Executive Order 11246, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by PREPA, the Government of Puerto Rico, and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.-----
- g) In the event of the Contractor's non-compliance with the nondiscrimination clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in

accordance with procedures authorized in Executive Order 11246, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.-----

The Contractor will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order, unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.-----

Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964- 1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment

Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.-----

T. Age Discrimination Act of 1975. The Contractor shall comply with the provisions of the Age Discrimination Act of 1975. No person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity receiving federal financial assistance.-----

U. Americans with Disabilities Act. The Contractor shall comply with the appropriate areas of the Americans with Disabilities Act of 1990, as enacted and from time to time amended, and any other applicable federal regulation. A signed, written certificate stating compliance with the Americans with Disabilities Act may be requested at any time during the term of this Contract.-----

V. Title VI of the Civil Rights Act of 1964. The Contractor shall comply with the provisions of Title VI of the Civil Rights Act of 1964. No person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.-----

- W. Section 504 of the Rehabilitation Act of 1973, as Amended. The Contractor agrees that no otherwise qualified individual with disabilities shall, solely by reason of his disability, be denied the benefits, or be subjected to discrimination including discrimination in employment, any program or activity that receives the benefits from the federal financial assistance.-----
- X. Drug-Free Workplace. The Contractor shall maintain a drug-free work environment in accordance with the Drug-Free Workplace Act of 1988 (41 U.S.C. § 8101 et seq.), and implementing regulations at 2 C.F.R Part 3001.-----
- Y. Compliance with Laws, Regulation and Executive Orders. The Contractor acknowledges that FEMA financial assistance will be used to fund this Contract. The Contractor shall comply will all applicable Federal and Government of Puerto Rico law, regulations, executive orders, policies, procedures, and directives, including but not limited to all Federal Cost Principles set forth in 2 C.F.R. Part 200, and all applicable FEMA regulations in 44 C.F.R. Chapter I. 2 C.F.R. Part 200.-----
- Z. Provisions Required by Law Deemed Inserted. Each and every provision required by law regulation, executive order, policy, procedure, directive, Federal grant award or agreement, or cooperative agreement with any Federal agency to be inserted in this Contract shall be deemed to be inserted herein and the Contract shall be read and enforced as though it were included herein. If, through mistake or otherwise,

any provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall be amended to make such insertion or correction.--

AA. Agreement to Execute Other Required Documents. Contractor and all subcontractors, by entering into the Contract, understand and agree that funding for the Services is provided under Federal programs with specific contracting requirements. To the extent any such requirement is not otherwise set forth herein, Contractor agrees to execute such amendments or further agreements as may be necessary to ensure that PREPA received Federal funding for this Contract.-----

BB. U.S. Department of Homeland Security Seal, Logo, and Flags. The Contractor shall not use the U.S. Department of Homeland Security seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre- approval.-----

CC. No Obligation by the Federal Government. PREPA and the Contractor acknowledge and agree that the Federal Government is not a party to this Contract and is not subject to any obligations or liabilities to PREPA, Contractor, or any other party pertaining to any matter resulting from the contract.-----

ARTICLE 54. Complete Agreement

This document, together with all attachments referred to herein, constitutes the entire agreement between the parties as to this subject matter and supersedes all

communications, negotiations, and agreements of the Parties, whether written or oral, other than these, made prior to the signing of this Contract. In case of conflict the terms and conditions of this Contract, as signed by the parties, shall prevail.-----

IN WITNESS WHEREOF, the Parties hereto have executed this Contract
this _____ day of _____ of the year _____, in San Juan,
Puerto Rico. -----

PUERTO RICO ELECTRIC POWER
AUTHORITY OF PUERTO RICO

[CONTRACTOR]

BY: _____
José F. Ortiz Vázquez
Chief Executive Officer
Social Security Number 660-43-3747

BY: _____
(Name of Person Signing)
(Title)
Social Security Number (____#)



GOBIERNO DE PUERTO RICO

Autoridad de Energía Eléctrica de Puerto Rico
Junta de Gobierno

RESOLUCIÓN 4640


Autorizar la Adquisición de Tres Unidades Generatrices Portátiles mediante el Proceso Competitivo de RFP

- POR CUANTO:** La Autoridad de Energía Eléctrica de Puerto Rico (la Autoridad) es una corporación pública y entidad del Gobierno de Puerto Rico creada mediante la Ley Núm. 83 de 2 de mayo de 1941, según enmendada (Ley 83). La Autoridad se crea con el propósito de proveer energía eléctrica de manera confiable, contribuyendo al bienestar general y futuro sostenible del pueblo de Puerto Rico, maximizando el beneficio y minimizando el impacto social, ambiental e impacto económico. Además, provee servicio basado en un costo accesible, justo, razonable y no discriminatorio; cónsono con la protección ambiental, sin ánimo de lucro y enfocado en la participación de la ciudadanía y los clientes.
- POR CUANTO:** La Ley 83 autoriza a la Autoridad a hacer contratos y formalizar todos los instrumentos que fueren necesarios o convenientes en el ejercicio de cualquiera de sus poderes.
- POR CUANTO:** El 20 de septiembre de 2017, el Huracán María impactó directamente a Puerto Rico, siendo el mayor desastre natural sobre la Isla en los últimos cien años. El huracán ocasionó daños en más del 80 por ciento de la infraestructura de transmisión y distribución de la Autoridad, dejando a toda la isla sin servicio eléctrico.
- POR CUANTO:** El Sureste de la Isla fue la primera zona geográfica que recibió el impacto del huracán y todavía tiene una cantidad sustancial de daños, que provoca fallas frecuentes y diversas en el sistema eléctrico. La Autoridad posee una unidad generadora *Frame V* disponible en el Este, en la Estación de Hidro Gas de Yabucoa, que no puede suplir la demanda total de dicha área geográfica, ni servir de resguardo para alimentar el lazo de transmisión del Este en caso de una falla en el sistema eléctrico.
- POR CUANTO:** Las centrales generatrices de la Autoridad con mayor capacidad se encuentran en el Sur de la Isla, mientras que la mayor demanda se



Apartado 364267 San Juan, Puerto Rico 00936-4267

encuentra en el Norte y la zona metropolitana, de tal manera que el daño causado a las líneas de transmisión imposibilitó que la Autoridad proveyera el servicio eléctrico a sus clientes en el área donde existe mayor demanda y población, por un tiempo sostenido.

- POR CUANTO: La Agencia Federal para Manejo de Emergencias (*FEMA*, por sus siglas en inglés) autorizó una misión al Cuerpo de Ingenieros del Ejército de los Estados Unidos (*USACE*, por sus siglas en inglés), para proveer generación en el Norte y Este de la Isla mediante unidades generatrices portátiles. Se instalaron temporalmente dos generadores de 28 MW cada uno en la Central Palo Seco y uno de la misma capacidad en el Centro de Transmisión y Estación Hidro Gas, en Yabucoa.
- POR CUANTO: El arrendamiento de los tres generadores del *USACE* están próximos a concluir y la Autoridad necesita adquirir de forma inmediata unidades generatrices portátiles que puedan sustituir los equipos rentados, pues la red eléctrica aún está vulnerable y en reparación, lo que aumenta el riesgo de apagones.
- POR CUANTO: Según la información provista por el Director de Generación, la Autoridad interesa iniciar un proceso competitivo de solicitud de propuestas (*RFP*) para recibir ofertas de equipos nuevos y modernos de generación móvil que sustituyan las unidades generatrices portátiles que proveyó el *USACE*.
- POR CUANTO: El estado actual de la flota de generación en el Norte de Puerto Rico, impide sustituir la falta de generación proveniente del Sur de la Isla. Varias de las unidades generatrices en el Norte no están disponibles ni a corto ni a mediano plazo por reparaciones, mantenimiento o limitación de operación, y la Autoridad se encuentra todavía en proceso de recuperación y reconstrucción de su infraestructura eléctrica en toda la Isla.
- POR CUANTO: En conformidad con la información provista por el ingeniero Hernández Morales, la red eléctrica aún está vulnerable y en reparación; por lo cual, la ausencia de las unidades generatrices portátiles pone en riesgo el servicio, de ocurrir averías en las zonas que sirven actualmente. Además, el ingeniero Hernández Morales indicó que la configuración móvil y compacta de esos sistemas ha demostrado ser de gran utilidad para compensar las cargas provenientes de esas zonas en caso de un evento atmosférico de envergadura, así como para evitar apagones periódicos por
- 

disminución de la calidad de frecuencia de la onda trifásica y de la regulación de los voltajes de transmisión.

POR CUANTO: La Autoridad estima en 60 millones de dólares el costo de adquirir las tres unidades generatrices portátiles de capacidad similar a las que proveyó el *USACE*, incluyendo los equipos auxiliares e infraestructura. Esta inversión se recupera aproximadamente en 13 meses de renta utilizando como base el costo de renta del *USACE*. La Autoridad solicitará que la inversión para la compra de estas unidades sea reembolsada por la *FEMA*, según el arreglo de pareo de fondos vigente.

POR CUANTO: La Sección 15(1)(a) de la Ley 83 requiere que todas las compras y contratos de suministros o servicios, excepto servicios profesionales, que realice la Autoridad, incluyendo contratos para la construcción de obras, se realicen mediante anuncio de subasta.

POR CUANTO: De acuerdo con la Sección 15(2)(f) de la Ley 83, el proceso de subasta no será necesario cuando a juicio de la Junta de Gobierno se deba llevar a cabo un proceso competitivo de *RFP* para la adquisición de bienes, equipos, materiales o servicios para fomentar mayor competencia, reducir el riesgo de colusión y promover los mejores términos y condiciones posibles en beneficio de mayores ahorros y reducción de costos y gastos operacionales de la Autoridad.

POR CUANTO: El 23 de agosto de 2018, el Director de Finanzas, certificó la disponibilidad de \$57,957,831 para la compra de tres unidades móviles de generación. No obstante, estos fondos son de una cuenta de emergencia, y la Autoridad solicitará que la inversión para la compra de estas unidades sea reembolsada por la *FEMA*, según el arreglo de pareo de fondos vigente.

POR CUANTO: La Directora de Asuntos Jurídicos, en memorando del 23 de agosto de 2018, evaluó la petición del Director de Generación y no encontró impedimento legal para utilizar el proceso competitivo de *RFP* para la adquisición de las tres unidades generatrices portátiles, siempre que la Junta de Gobierno tome la determinación que requiere la Sección 15 (2) (f) de la Ley 83.

POR TANTO: Luego de evaluar y analizar las recomendaciones del Director de Generación y la Directora de Asuntos Jurídicos, esta Junta de Gobierno RESUELVE:



1. Autorizar la adquisición de las tres unidades generatrices portátiles mediante el proceso competitivo de *RFP*, en conformidad con la Sección 15 (2) (f) de la Ley Núm. 83.
2. Delegar al Principal Oficial Ejecutivo el nombramiento de un comité evaluador para analizar las propuestas y seleccionar la mejor alternativa.
3. El Principal Oficial Ejecutivo informará a la Junta de Gobierno el resultado del proceso de compra antes de formalizar el contrato.
4. La Directora de Asuntos Jurídicos revisará los términos y condiciones de la contratación para asegurar que los mismos cumplen con los requisitos legales vigentes en materia de contratación gubernamental.

Aprobado en San Juan, Puerto Rico, a los veintinueve días del mes de agosto, del año dos mil dieciocho.

A handwritten signature in blue ink, appearing to be 'D. Sánchez', is written over the text area.



GOBIERNO DE PUERTO RICO
Autoridad de Energía Eléctrica de Puerto Rico

30 de julio de 2018

Miguel A. Del Valle Morales
Superintendente
"Major Procurement Management Team"
División de Ingeniería y Servicios Técnicos


Sammy L. Rodríguez Ortega
Administrador de Riesgos

Evaluación Requisitos de Seguros:

Borrador de Contrato: "Mobile Generation Units--Provide and install three (3) new, zero-hour gas turbine mobile units and perform its delivery, installation, testing, and commissioning."

Hemos evaluado los riesgos relacionados al proyecto de referencia (arriba).

Recomendamos que el Artículo 20 "ARTICLE 20. Insurance, Bonds, and Indemnities" del borrador del contrato sea enmendado para que lea así:

"INSURANCE AND BONDS:

The Contractor shall secure and maintain in full force and effect during the life of this Contract as provided herein, policies of insurance covering all operations engaged in by the Contract as follows:

1. Commonwealth of Puerto Rico Workmen's Compensation Insurance:

The Contractor shall provide Workmen's Compensation Insurance as required by the Workmen's Compensation Act 45-1935 of the Commonwealth of Puerto Rico. APR shall also be responsible for compliance with said Workmen's Compensation Act by all its subcontractors, agents, and invitees, if any.

The Contractor shall furnish a certificate from the Puerto Rico's State Insurance Fund showing that all personnel employed in the work are covered by the Workmen's Compensation Insurance, in accordance with this Contract.



2. Employer's Liability Insurance:

The Contractor shall provide Employer's Liability Insurance with minimum bodily injury limits of \$1,000,000 for each employee and \$1,000,000 for each accident covering against the liability imposed by Law upon the Contractor as result of bodily injury, by accident or disease, including death arising out of and in the course of employment, and outside of and distinct from any claim under the Workmen's Compensation Act of the Commonwealth of Puerto Rico.

3. Commercial General Liability Insurance:

The Contractor shall provide a Commercial General Liability Insurance with limits of \$1,000,000 per occurrence and \$1,000,000 aggregate.

4. Commercial Automobile Liability Insurance:

The Contractor shall provide a Commercial Automobile Liability Insurance with limits of \$1,000,000 combined single limit covering all owned, non-owned, and hired automobiles.

5. Professional Liability Insurance:

The Contractor shall provide a Professional Liability Insurance with limits of \$1,000,000 per claim and \$1,000,000 aggregate.

Requirements Under the Policies:

The Commercial General Liability and Commercial Automobile Liability Insurance required under this Contract shall be endorsed to include:

a. As Additional Insured:

Puerto Rico Electric Power Authority (PREPA)
Risk Management Office
PO Box 364267
San Juan, PR 00936-4267

- b. A 30 days cancellation or nonrenewable notice to be sent to the above address.
- c. An endorsement including this Contract under contractual liability coverage and identifying it by number, date and parties to the contract.
- d. Waiver of Subrogation in favor of Puerto Rico Electric Power Authority (PREPA).
- e. Breach of Warranties or Conditions:

" The Breach of any of the Warranties or Conditions in this policy by the Insured shall not prejudice PREPA's rights under this policy."

Bonds:

As a Contract security, the Contractor shall furnish at the time of the execution of the Contract:

1. A Performance Bond in the amount of one hundred percent (100%) of the Contract price, with good and sufficient surety satisfactory to PREPA guaranteeing that APR will well and faithfully perform the contract work.
2. A Payment Bond in the amount of one hundred percent (100%) of the Contract price, with good and sufficient surety satisfactory to PREPA to guarantee the prompt payment of all labor, supervision, equipment and materials required in the performance of the work.
3. All bonds shall be issued in the official form of PREPA.

Furnishing of Policies:

All required policies of insurance shall be in a form acceptable to PREPA and shall be issued only by insurance companies authorized to do business in Puerto Rico.

The Contractor shall furnish a certificate of insurance in original signed by an authorized representative of the insurer in Puerto Rico, describing the coverage afforded."

Una vez este Contrato sea firmado por las partes, favor de enviarnos copia del mismo, junto con los documentos de seguros requeridos.

De necesitar información adicional, puede comunicarse con el Sr. Ernesto E. Santiago Jordán a los teléfonos interiores: 2768 o 4588.



GOBIERNO DE PUERTO RICO
Autoridad de Energía Eléctrica de Puerto Rico

30 de julio de 2018

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"Major Procurement Management Team"
División de Ingeniería y Servicios Técnicos


Sammy L. Rodríguez Ortega
Administrador de Riesgos

Evaluación Requisitos de Seguros:

Borrador de Contrato: "Mobile Generation Units—Operations and Maintenance Contract."

Hemos evaluado los riesgos relacionados al proyecto de referencia (arriba).

Recomendamos que el Artículo 13 "ARTICLE 13. INSURANCE," del borrador del contrato sea enmendado para que lea así:

"INSURANCE AND BONDS:

The Contractor shall secure and maintain in full force and effect during the life of this Contract as provided herein, policies of insurance covering all operations engaged in by the Contract as follows:

1. Commonwealth of Puerto Rico Workmen's Compensation Insurance:

The Contractor shall provide Workmen's Compensation Insurance as required by the Workmen's Compensation Act 45-1935 of the Commonwealth of Puerto Rico. APR shall also be responsible for compliance with said Workmen's Compensation Act by all its subcontractors, agents, and invitees, if any.

The Contractor shall furnish a certificate from the Puerto Rico's State Insurance Fund showing that all personnel employed in the work are covered by the Workmen's Compensation Insurance, in accordance with this Contract.



2. Employer's Liability Insurance:

The Contractor shall provide Employer's Liability Insurance with minimum bodily injury limits of \$1,000,000 for each employee and \$1,000,000 for each accident covering against the liability imposed by Law upon the Contractor as result of bodily injury, by accident or disease, including death arising out of and in the course of employment, and outside of and distinct from any claim under the Workmen's Compensation Act of the Commonwealth of Puerto Rico.

3. Commercial General Liability Insurance:

The Contractor shall provide a Commercial General Liability Insurance with limits of \$1,000,000 per occurrence and \$1,000,000 aggregate.

4. Commercial Automobile Liability Insurance:

The Contractor shall provide a Commercial Automobile Liability Insurance with limits of \$1,000,000 combined single limit covering all owned, non-owned, and hired automobiles.

5. Professional Liability Insurance:

The Contractor shall provide a Professional Liability Insurance with limits of \$1,000,000 per claim and \$1,000,000 aggregate.

Requirements Under the Policies:

The Commercial General Liability and Commercial Automobile Liability Insurance required under this Contract shall be endorsed to include:

a. As Additional Insured:

Puerto Rico Electric Power Authority (PREPA)
Risk Management Office
PO Box 364267
San Juan, PR 00936-4267

b. A 30 days cancellation or nonrenewable notice to be sent to the above address.

c. An endorsement including this Contract under contractual liability coverage and identifying it by number, date and parties to the contract.

d. Waiver of Subrogation in favor of Puerto Rico Electric Power Authority (PREPA).

e. Breach of Warranties or Conditions:

" The Breach of any of the Warranties or Conditions in this policy by the Insured shall not prejudice PREPA's rights under this policy."

Bonds:

As a Contract security, the Contractor shall furnish at the time of the execution of the Contract:

1. A Performance Bond in the amount of one hundred percent (100%) of the Contract price, with good and sufficient surety satisfactory to PREPA guaranteeing that APR will well and faithfully perform the contract work.
2. A Payment Bond in the amount of one hundred percent (100%) of the Contract price, with good and sufficient surety satisfactory to PREPA to guarantee the prompt payment of all labor, supervision, equipment and materials required in the performance of the work.
3. All bonds shall be issued in the official form of PREPA.

Furnishing of Policies:

All required policies of insurance shall be in a form acceptable to PREPA and shall be issued only by insurance companies authorized to do business in Puerto Rico.

The Contractor shall furnish a certificate of insurance in original signed by an authorized representative of the insurer in Puerto Rico, describing the coverage afforded."

En cuanto al Artículo 17 "LIMITATION OF LIABILITY", Inciso a, recomendamos que la frase que lee:

"...,and any obligation of Contractor under this Agreement to repair damage to the Purchased Equipment, and any indemnification obligations of Contractor, shall be limited to the amount of Two Million Five Hundred Thousand Dollars (\$2,500,000)."

Sea enmendada para que lea así:

"...,and any obligation of Contractor under this Agreement to repair damage to the Purchased Equipment, and any indemnification obligations of Contractor, shall not exceed the Contract amount, plus the limits under the applicable insurance coverages."

Uná vez este Contrato sea firmado por las partes, favor de enviarnos copia del mismo, junto con los documentos de seguros requeridos.

De necesitar información adicional, puede comunicarse con el Sr. Ernesto E. Santiago Jordán a los teléfonos interiores: 2768 o 4588.

I. APPENDIX 4: OCPC REVIEW PACKAGE

OCPC REVIEW FORM

The OCPC Review Form must be attached to any request to review a proposed Procurement Action. Please use the instructions below when completing this form.

SUBMISSION INFORMATION		
1.	Submitter Name	Daniel Hernández Morales, Acting Generation Director
2.	Vendor Name and Contract Number	To be determined
3.	Project Name	MOBILE GENERATION
4.	Previously Submitted to OCPC? If Yes, please provide date of original submission and docket number.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Date: Docket Number:
5.	Procurement Action Type(s):	
	Amendment	<input type="checkbox"/>
	Sealed Bid	<input type="checkbox"/>
	MOU	<input type="checkbox"/>
	Sole-Source/ Non-Competitive	<input type="checkbox"/>
	RFP/RFQ If marked, please select one of the following in No. 6	<input checked="" type="checkbox"/>
6.	Procurement Status:	
	Pre-Public Notice	<input checked="" type="checkbox"/>
	Pre-Release	<input type="checkbox"/>
	Pre-Award Notification	<input type="checkbox"/>
	Pre-Contract Execution	<input type="checkbox"/>
7.	Total Value of Procurement Action	\$57,957,831.00
8.	Does it need FOMB approval?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
DESCRIPTION OF PROCUREMENT ACTION		
9.	Scope of Work	<p>An all-inclusive, turnkey, lump sum contract to provide mobile generating units to be connected to Yabucoa Power Station and Palo Seco Power Plant. Contractor to provide 3 new, independently packaged, zero-fired hour gas turbine units and perform its delivery, installation, testing, and commissioning. Each mobile unit shall have a net generating capacity between 25 and 40 MW and shall include the necessary new, unused Balance of Plant equipment and new, unused black start power generating system.</p> <p>The units shall be supplied to be capable to burn Distillate #2 fuel (diesel) and natural gas (NG), either fuel on a primary basis and without any modifications to</p>

		the supplied packages. Units may also be capable to burn a third fuel option. The units shall be equipped with modern environmental control and monitoring equipment, as well as control logics to meet all local, state, and federal current requirements. Each gas turbine package shall have unrestricted fast start capability. The proposal shall also include an option to provide all operation and maintenance functions for two (2) years. Contractor shall furnish all construction and operation permitting and modification to current sites permits, process the agencies approvals (with PREPA's review and approval).
10.	Goods or Services?	Goods
11.	Type of Goods/Service	Mobile, power generating units
12.	Timeline of key events	<p>Submission of documents to OCPC August 3, 2018</p> <p>Governing Board Briefing (Resolution 4599 for Emergency RFPs applies) August 15, 2018</p> <p>OCPC First Approval August 16, 2018</p> <p>RFP Published August 17, 2018</p> <p>RFP Proposals Submissions Deadline September 7, 2018</p> <p>RFP Evaluation by Technical Committee September 18, 2018</p> <p>OCPC Approval of RFP Process October 2, 2018</p> <p>Awardee Announcement October 3, 2018</p> <p>Contract Negotiation and Signing October 15, 2018</p> <p>OCPC submission to FOMB Approval October 18, 2018</p>

		FOMB Approval October 25, 2018 Notice to Proceed October 29, 2018 Contract Execution (90 days for delivery, installation, testing, and commissioning) January 26, 2019
13.	Will this be a possible DAC or Management Reimbursement?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
14.	Will this Procurement Action seek external reimbursement? For example, FEMA reimbursement. If yes, identify the relevant funding source (PW).	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Project Worksheet (PW) number: PA-02-PR-4339-PW-00440

OCPC REVIEW FORM INSTRUCTIONS

1. Please include the name of the person submitting the proposed Procurement Action for review. This person will be the primary point of contact for the request.
2. Please insert the vendor name and contract number.
3. Please insert the project name or title.
4. Was this Procurement Action previously submitted for OCPC review?
5. Please include the Procurement Action type(s) (contract amendment, Sealed Bid, MOU, Sole-Source/Non-Competitive, RFP/RFQ).
6. Please select the procurement RFP/RFQ status that best applies.
7. Please enter the total value of the procurement action.
8. Please select if this Procurement Action exceeds \$10 million which requires FOMB approval.
9. Please include a paragraph describing the nature of the procurement request (Scope of Work).
10. Please identify whether the procurement is for goods or services.
11. Please provide a brief description of the type of goods or services.
12. Please include a bulleted timeline of key events: Include key dates for the Procurement Action, include when initiated, dates of internal PREPA approval and name of approver, anticipated final action date, major milestones, etc. If the review is for an amendment to a previously executed contract, please specify the amendment number.
13. Please indicate if this Procurement Action will submit for possible DAC reimbursement and is not a duplicate for another project.
14. Please state whether PREPA will seek external (e.g., FEMA) reimbursement for the Procurement Action with a brief explanation. Identify any external funding documents (e.g., FEMA PW).



Autoridad de Energía Eléctrica de Puerto Rico

**CERTIFICACIÓN DE FONDOS DE
CONTRATOS POR SERVICIOS PROFESIONALES**

LF-254362
AEE. Oficina del Control
23 AGO 18 Recibido AMDB

Finanzas
23 AUG 2018
nir

Número de Responsabilidad: 100 Nombre de Responsabilidad: División de Ingeniería y Servicios Técnicos

Se incluye copia del Contrato descrito a continuación:

Nombre del Contratista o Compañía: RFP 82695 Mobile Generation (Proyecto Solicitado Reembolso FEMA)

Número del Contrato: En Proceso de Aprobación Número de Cuenta: 01-1747-17571-555-309 Año Fiscal: 2018-2019

Cantidad: \$57,957,831 Fecha de Comienzo: 15 de octubre de 2018 Fecha de Terminación: 15 de enero de 2019

Certificamos que no se proyectó sobregiro presupuestario y se posee capacidad financiera para cubrir esta transacción. Este contrato está en cumplimiento con el Inciso G de la Carta Circular de la Oficina de Gerencia y Presupuesto Núm. 117-14 del 1 de julio de 2014.

1. Requerido por:

Firma: [Firma]

Nombre: Daniel Hernández Morales

Título: Director de Generación, Interino

Fecha: 22/10/18

2. Aprobado por el Director Correspondiente:

Firma: [Firma]

Nombre: José F. Ortiz Vazquez

Título: Principal Oficial Ejecutivo

Fecha: 23 AUG 2018

3. Recomendado por el Departamento de Presupuesto:

Firma: [Firma]

Nombre: Lizzandra Matías Varela

Título: Contralor Contabilidad y Presupuesto

Fecha: 23/ago/18

4. Aprobado por el Director de Finanzas:

Firma: [Firma]

Nombre: Nelson Morales Rivera

Fecha: 23- agosto - 2018

Todo contrato por servicios profesionales con una cuantía sobre cien mil dólares (\$100,000), debe presentarse para la aprobación de la Junta de Gobierno, según la Norma Sobre Niveles de Aprobación de Documentos de la Autoridad de Energía Eléctrica de Puerto Rico.

Aprobado por la Junta de Gobierno:

Firma: _____

Nombre: _____

Fecha: _____



Autoridad de Energía Eléctrica de Puerto Rico

**CERTIFICACIÓN DE FONDOS DE
CONTRATOS POR SERVICIOS PROFESIONALES**

2018 AUG 23 P 4:25

LF-254362
AEE Oficina Del Contral
23 AGO 18 Recibido AMOB:
Finanzas
23 AUG 2018
nir

Número de Responsabilidad: 100 Nombre de Responsabilidad: División de Ingeniería y Servicios Técnicos

Se incluye copia del Contrato descrito a continuación:

Nombre del Contratista o Compañía: RFP 82695 Mobile Generation (Proyecto Solicitado Reembolso FEMA)

Número del Contrato: En Proceso de Aprobación Número de Cuenta: 01-1747-17571-555-309 Año Fiscal: 2018-2019

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1. Requerido por:

Firma: [Firma]

Nombre: Daniel Hernández Morales

Título: Director de Generación, Interino

Fecha: 22/ago/18

2. Aprobado por el Director Correspondiente:

Firma: _____

Nombre: José F. Ortiz Vázquez

Título: Principal Oficial Ejecutivo

Fecha: _____

3. Recomendado por el Departamento de Presupuesto:

Firma: [Firma]

Nombre: Lizzandra Matías Varela

Título: Contralor Contabilidad y Presupuesto

Fecha: 23/ago/18

4. Aprobado por el Director de Finanzas:

Firma: [Firma]

Nombre: Nelson Morales Rivera

Fecha: 23- agosto - 2018

Todo contrato por servicios profesionales con una cuantía sobre cien mil dólares (\$100,000), debe presentarse para la aprobación de la Junta de Gobierno, según la Norma Sobre Niveles de Aprobación de Documentos de la Autoridad de Energía Eléctrica de Puerto Rico.

Aprobado por la Junta de Gobierno:

Firma: _____

Nombre: _____


Fecha: _____



GOBIERNO DE PUERTO RICO
Autoridad de Energía Eléctrica de Puerto Rico

26-253582

10 de agosto de 2018

José F. Ortiz Vázquez
Principal Oficial Ejecutivo

Daniel Hernández Morales
Director de Generación, Interino

Justificación Adquisición Unidades Generatrices Portátiles, RFP 82695

El paso del huracán María, en septiembre de 2017, provocó un daño catastrófico en la red de la Autoridad de Energía Eléctrica. Las centrales generatrices de mayor capacidad se encuentran en el sur de la Isla, mientras que la demanda mayor se encuentra en el norte y la zona metropolitana. El daño causado a las líneas de transmisión imposibilitó por mucho tiempo que pudiésemos proveer el servicio eléctrico a nuestros clientes.

Debido a la falta de generación en la zona norte y este del país, luego del paso del huracán María, la Federal Emergency Management Agency (FEMA) autorizó una misión al Cuerpo de Ingenieros del Ejército de los Estados Unidos (USACE), para proveer generación mediante turbinas móviles. Se instalaron dos generadores de 28 MW cada uno en la Central Palo Seco y uno de la misma capacidad en el Centro de Transmisión y Estación Hidro Gas, Yabucoa.

El estado actual de la flota de generación en el norte de Puerto Rico, no brinda la generación suficiente para la demanda requerida en el norte en caso de que se pierdan las líneas de transmisión que provienen del sur, como ocurrió a causa del paso del huracán María. La situación se agrava aún más por la actual carencia de líneas de transmisión que proveen redundancia al sistema eléctrico y que aún se están reparando.

La Autoridad tiene unidades generatrices en el norte que no estarán disponibles ni a corto ni a mediano plazo, como lo son la unidad 1 de Cambalache, la unidad 10 de San Juan, la unidad 2 de Palo Seco y tres unidades a gas Frame V en Palo Seco. Las unidades 7 y 8 de la Central San Juan, así como la 1 y 2 de Palo Seco, están dispuestas como uso limitado para cumplimiento con los Mercury and Air Toxic Standards (MATS).



Apartado 364267 San Juan, Puerto Rico 00936-4267

Somos un patrono con igualdad de oportunidades en el empleo y no discriminamos por razón de raza, color, sexo, edad, origen social o nacional, condición social afiliación política, ideas políticas o religiosas; por ser víctima o ser percibido(a) como víctima de violencia doméstica, agresión sexual o acoso, sin importar estado civil, orientación sexual, identidad de género o estatus migratorio; por impedimento físico, mental o ambos por condición de veterano(a) o por información genética.

La unidad 4 no está en uso por reparaciones en las turbinas y se considera como una unidad con la que contaremos a mediano plazo (3-6 meses). En cuanto a la unidad 9 de San Juan, la misma no se considera una unidad confiable por necesidad de una reparación mayor de la caldera.

El área sureste fue la primera zona geográfica que recibió el impacto del huracán y el balance de daños por reparar aún es sustancial, lo que provoca fallos frecuentes y diversos en la red. La unidad generadora *Frame V* disponible en la Estación de Hidro Gas Yabucoa no puede suplir la demanda total de la zona, en caso de perder las líneas de transmisión luego de un evento atmosférico, ni provee la confiabilidad de servicio, lo cual es muy necesario para la demanda por servicio de energía eléctrica que requieren industrias de alto consumo y requisitos para arranque de procesos en las mismas. Lo anterior se probó a cabalidad cuando se puso en servicio la turbina móvil de 28 MW el 10 de diciembre de 2017, sirviendo el área sureste junto a dicha unidad *Frame V* que estaba disponible, por un periodo mayor a los tres meses bajo modo de operación isla (*island grid*), sin conexión a líneas de transmisión o subtransmisión de la red.

Por lo tanto, como los términos de renta de los tres generadores están concluyendo, entendemos que la Autoridad necesita la adquisición inmediata de unidades que puedan sustituir los equipos rentados. La red eléctrica aún está vulnerable y en reparación, por lo que el no contar con la generación nos pone en riesgo de no contar con la generación necesaria en caso de ocurrir averías en las zonas que actualmente sirven. Además, la configuración móvil y compacta de esos sistemas ha demostrado ser de gran utilidad para compensar las cargas provenientes de esas zonas en caso de un evento atmosférico de envergadura, así como evitar apagones periódicos por disminución de la calidad de frecuencia de la onda trifásica y de la regulación de los voltajes de transmisión.

Por tal razón, la Autoridad propone un proceso de compras mediante un *Request for Proposals* (RFP) para recibir ofertas de equipos nuevos y modernos de generación móvil que sustituyan los generadores rentados. Comprar estas unidades se convertirá en una economía, pues el costo de renta de las tres unidades provistas por USACE es de unos 4.5 millones de dólares mensuales. Estimamos un costo total de compra de unos 57 millones de dólares por tres unidades de similar capacidad, incluyendo los equipos auxiliares e infraestructura, por lo que la inversión directa se recupera tras poco más de 13 meses de renta utilizando como base el costo de renta del USACE. Solicitamos que la inversión para la compra de estas unidades sea reembolsada por la FEMA, según el arreglo de pareo vigente.

Amparados en la Sección (2)(f) de la Ley 83 de 2 de mayo de 1942, según enmendada, solicitamos a la Junta de Gobierno se apruebe el proceso de RFP, basado en que solo identificamos en el mercado tres fabricantes de turbinas en configuración móvil, para este rango de generación. Estos fabricantes son Siemens, Pratt & Whitney y General Electric. Esto nos permitirá negociar directamente con los fabricantes de los equipos y obtener unos mejores términos económicos y de contrato. Además, este proceso nos brinda

José F. Ortiz Vázquez
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la flexibilidad de negociar los términos y condiciones del contrato de operación y mantenimiento, en caso de que la Autoridad se decida por esta opción.

De necesitar información adicional, puede comunicarse con el ingeniero Miguel Del Valle Morales, Superintendente, por el 6616.

Anejos



**Puerto Rico Electric Power Authority
Cost Estimate**

Project Name: Temporary Power Generation at Yabucoa T.C. and					Reference: RFQ No.	
Description						
Quantity	Units	Description	Unit Price	Total Cost	Notes	
3.00	c.u.	Mobile turbine units	\$14,000,000.00	\$42,000,000.00	Production capacity between 25 to 40 megawatts Equipment and installation. Switchgear, protection & control systems. Small generator and other accessories.	
3.00	c.u.	Balance of Plant (BOP)	\$2,000,000.00	\$6,000,000.00		
3.00	c.u.	Black start equipment	\$200,000.00	\$600,000.00		
1.00	L.S.	Demineralized water connection	\$3.15	\$205,821.00		
1.00	L.S.	Mechanical work	\$4.50	\$294,030.00		
1.00	L.S.	Electrical work	\$9.20	\$601,128.00		
Subtotal				\$49,700,979.00		
10%	Project	Engineering Fees - Electrical	\$601,128.00	\$60,112.80	RS Means 01 11 31.30 0300	
10%	Project	Engineering Fees - Mechanical & Demineralized water connection	\$499,851.00	\$49,985.10	RS Means 01 11 31.30 1100	
4%	Project	Construction Management Fees	\$49,700,979.00	\$1,988,039.16	RS Means 01 11 31.20 0350	
24	Month	Operation and maintenance services	\$70,000.00	\$1,680,000.00		
Subtotal				\$3,778,137.06		
\$53,479,116.06	L.S.	Performance Bond	1.55%	\$828,926.30	Of Job. RS Means Code: 01 31 13.90 0010	
\$1,000,000.00	L.S.	Contractor's Equipment Floater	1.00%	\$10,000.00	By value of equipment (assumed).	
\$53,479,116.06	L.S.	Public Liability	1.00%	\$534,791.16	Of Job. RS Means Code: 01 31 13.30 0600	
\$53,479,116.06	L.S.	Transport & Marine Coverage	1.00%	\$534,791.16		
\$10,695,823.21	L.S.	Workers Compensation & Employer's Liability	11.53%	\$1,233,228.42	Payroll Estimated at 20% of items 1 to 10. RS Means 01 31 13.30 2100	
\$53,479,116.06	L.S.	Contingencies	2.50%	\$1,336,977.90	Of Job. RS Means Code: 01 21 16.50 0010	
Subtotal				\$4,478,714.94		
Project Total				\$57,957,831.00		

Prepared: _____

Date: _____

Reviewed: _____

Date: _____



GOVERNMENT OF PUERTO RICO
Puerto Rico Electric Power Authority

May 3, 2018

Cost Justification for Procurement of Temporary Generation Units

The US Army Corps of Engineers ("USACE") prepared the attached Risk Assessments and Cost Evaluations dated February 8, 2018 and February 21, 2018 related to acquisition of the temporary mobile generators installed at Palo Seco and Yabucoa. Power is typically transferred from generators to the load through a system of transmission and distribution lines. The USACE analysis considers the current need for generation in areas of the Puerto Rico grid that cannot receive this generation because of damaged transmission and distribution systems. There are ongoing efforts to complete the emergency restoration of these damaged lines as well as future permanent repairs.

It will also be important to have the spare fast response generating capacity available on the island as the work transitions from emergency restoration to permanent repairs over the next two or three years. Even though many of the temporary transmission lines will be in service, there will still be times when lines will be out of service as permanent repairs are being made. These repairs will likely require certain portions of the system to be removed from service requiring these backup generator to ensure a continuous reliable power supply during these outages. The transmission lines may go out of service due to unforeseen circumstances, e.g. effects of high winds, until such time as long term solutions to the transmission resiliency can be accomplished. In addition, the 2018 hurricane season begins on June 1, 2018. The existing fragile system could be damaged even more in the event Puerto Rico is impacted by additional storms in the next 3 to 6 months. If such an event would occur, having portable generation available on the island would provide a significant advantage to a prompt recovery.

Additionally, it is critical for stability of the transmission system that a portion of the island's power generation be actively online and located in the San Juan urban area. One of the existing critical San Juan area PREPA power generating units, Palo Seco Unit 4, is currently undergoing a major rehabilitation program to repair the severely damaged turbine generator and the Unit is expected to be offline until at least September, 2018. The two APR temporary mobile generators at Palo Seco currently provide critical generation to the urban transmission system in the absence of the off-line Unit 4 and will continue to be depended upon until Unit 4 can be successfully returned to commercial operation as planned in Fall, 2018.



PO Box 364267 San Juan, Puerto Rico 00936-4267

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The USACE analysis considers the current condition of the system as well as the future needs on the island for the next two years. Data in the attached February 8 document shows that the initial six month lease cost for the single unit at Yabucoa, including operation and maintenance cost, was approximately \$2 million per month. APR provided a quote for O&M of the Yabucoa unit at a cost of \$506,482/month and to provide O&M for the unit at Yabucoa and the two units at Palo Seco for \$975,085/month.

On April 12, 2018, APR offered a proposal* to extend the lease as follows:

Lease Cost: 3 units at \$1 million per month each = \$3 million per month

Operating & Maintenance Cost Services: 3 units at \$300,000 per month each = \$900,000

Purchase Price after six months: 3 units total at \$57 million

As an alternative, the three units could be immediately procured for a total cost of \$ 58.5 million along with six months of operations and maintenance services for \$300,000 per month per unit (or \$900,000/month for all three units).

The net savings for procuring the units immediately vs procuring the units at the end of the six-month lease would be \$16.5 million.

	Six-Month Lease & Purchase	Immediate Purchase
Purchase Price Three Units	\$57,000,000	\$58,500,000
Six Month Lease Price Three Units	\$18,000,000	
Six Month Operation & Maintenance Service	\$5,400,000	\$5,400,000
TOTAL	\$80,400,000	\$63,900,000

In addition to the cost information included in the USACE analysis we would also note that since PREPA has contracts for acquisition of larger volumes of fuel, their cost to acquire the fuel is likely at a lower rate than the fuel costs identified in the USACE documents. For example, data in the February 8 document shows that the monthly cost of fuel for a single unit is \$4.2 million per month. Based on current PREPA fuel purchase prices and assuming a heat rate of 10,600 BTU/kWh the PREPA fuel cost to produce approximately 22 MW average at 88% capacity factor would be about \$2.7 million per month. Thus, the fuel savings per unit under the purchase scenario is approximately \$1.5 million per month per unit.

Total fuel cost savings: 3 units at \$1.5 million per month = \$4.5 million per month

Thus, for the initial six month period, the total savings for the three units after acquisition would be: \$43.5 million.

It should also be noted that if the lease is not extended and the contractor removes the equipment only to return it to the island at a later date there would be significant costs related to demobilization and remobilization of the equipment and potentially a risk of higher cost depending upon availability of such units. This could be an additional cost of \$15 million. Since current restoration plans indicate that there

*Reference: APR Energy Proposal Rev. 3 dated April 12, 2018.

will still be transmission lines out of service into September 2018 (Line 37000 from Costa Sur to Ponce) it is expected that the system will not be initially stable to its pre- Hurricane Maria condition for approximately the 6 months beyond the current lease end date (May, 2018). The USACE analysis also discusses a mid-term need (up to 9 months) and long-term needs up to two years. Assuming the units will likely operate in their current state for an additional six months (to mid-November, 2018), purchasing the units would save over \$43.5 million dollars during six months of transmission line restoration through September 2018, plus save the cost of demobilization (assume \$1 million per unit) for a total of \$46.5 million. Even if the units are no longer operated following initial completion of transmission restoration work performed through November, 2018, leasing the units at \$1 million per month per unit (assuming lease option extensions in six month increments over two years) would result in total savings exceeding the proposed purchase price of \$58.5 million within about 15 months after completion of the initial restoration. This would be almost three months before the end of the two-year time frame identified by the USACE.

The table below summarizes the comparative analysis of the lease with no purchase vs. purchase cost:

Option	Purchase	Lease
Purchase Price	\$58,500,000	\$0
Demobilization (\$1 million per unit)	\$0	\$3,000,000
Lease Payment (first 6 months)	\$0	\$18,000,000
Operation and Maintenance (first 6 Months)	\$5,400,000	\$5,400,000
Fuel cost (first 6 months)	\$48,600,000	\$75,600,000
TOTALS – First 6 Months	\$112,500,000	\$102,000,000
Lease Payment (Months 7– 24)*	\$0	\$54,000,000
Operation and Maintenance (Months 7-24)	\$16,200,000	\$16,200,000
TOTALS for Estimated 2 year Restoration Period	\$128,700,000	172,200,000

As noted in the table, the cost comparison for the first six months indicates the total estimated costs for purchase vs lease (with demobilization cost) is approximately \$10 million. If we consider the need for the units for the following additional 18 months to provide redundancy for permanent repairs, as well as have the units available during the 2018 and 2019 hurricane seasons, and we assume the units must be leased for this entire two-year period from May, 2018, the total cost savings to purchase the units is about \$44 million (excluding fuel cost savings over the 18-month permanent repairs period).*

Based on their analysis and additional savings discussed above we agree that the acquisition of the units would be a cost-effective alternative to continued leasing of the units over the long-term period as considered in the USACE analysis.

*The lease savings excludes any fuel savings realized. As stated above, the monthly fuel savings for operating at 88% capacity factor will be approximately \$4.5 million per month. Since it is unclear how much the units will actually operate subsequent to completion of the temporary restoration but before the permanent repairs can be made, those additional savings were not included the above analysis.

If the actual operation is greater than zero, there will be an associated fuel cost savings of about \$100/MW-hr generated. If the units operate at a 10% capacity factor during this time the effective savings would be about an additional \$1 million per month.

Provided By:

A blue ink signature, likely of Norman Spence, written in a cursive style.

Norman Spence
Senior Advisor
Filsinger Energy Partners

A blue ink signature, likely of Jaime Arturo Umpierre Montalvo, written in a stylized, somewhat abstract manner.

Jaime Arturo Umpierre Montalvo
Acting Head
Engineering and Technical Services Division
Generation Directorate